

AGRICULTURAL OUTLOOK

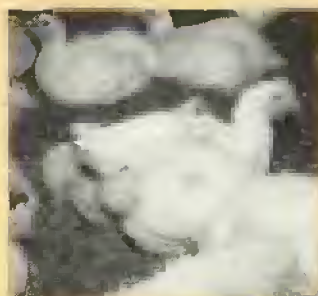
Economic Research Service
United States Department of Agriculture

March 1992

U.S.-Mexico
Trade Patterns

March 1992/AO-183

AGRICULTURAL OUTLOOK



Cover photo: Tomato harvest near Cuautla, Mexico.
Eric Carle/Superstock

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News of Food Shortages in Africa and Former USSR, U.S.-Mexico Agricultural Trade, and Farm-Related Job Trends

While events in Central Europe and the former Soviet Union have held international center stage for the past 2 years, another part of the world—known as the Horn of Africa—is facing severe food shortages in the wake of civil war and drought.

Poor natural resources and frequent drought make famine a perennial threat in Ethiopia, Sudan, and Somalia. Over the last 20 years, chronic political instability has aggravated food shortage problems. These nations continue to rely on food aid, but deliveries have frequently not been sufficient to ward off starvation among some groups.

As in Central Europe and the former Soviet Union, agricultural prospects of these African countries depend on political stability and the transition to a successful market economy. But unlike in Africa, climate has played only a minor role in the deepening food crisis in the former USSR. During the Gorbachev era from 1986 to 1990, food shortages grew despite a 20-percent increase in average grain and meat output over the levels of 1981-85. Excess demand at artificially low prices caused the shortages to develop.

A probable explanation is that general wage, price, and monetary policies in the Gorbachev years boosted demand and weakened the distribution system. By 1991, the ruble had been severely weakened as a medium of exchange, and food producers became increasingly reluctant to sell. These conditions began to affect the supply side of the economy, stifling production incentives. With adverse weather added to these disincentives, the grain harvest in 1991 was 26 percent below 1990's near-record output.

In the U.S., tightening wheat stocks and a lower 1992 wheat ARP contributed to early industry projections of increased winter wheat seedings for the 1992 crop. But the January 10 *Winter Wheat and*



Rye Seedings report caught analysts by surprise with its estimate of a 1.6-percent drop in winter wheat seedings.

Much of the fall is due to a decline in seedlings of soft red winter wheat, which has been plagued by disease during the past 2 years. The flexibility provisions of the 1992 wheat program, and a lag in timing between planting decisions and price increases, are among the factors explaining the reduced winter wheat seedings.

While tight U.S. wheat stocks have pushed up export prices, near-record 1991/92 stocks in the EC and Canada are restraining price increases. But with 1991/92 U.S. stocks down, the expected size of the 1992/93 wheat crop will have a critical effect on U.S. prices in the coming months.

The second of AO's five-part series on U.S.-Mexico trade focuses on agricultural and trade relations between the two countries. Mexico has become the third-largest trading partner of the U.S., after Canada and Japan.

In 1990, Mexico's agricultural purchases from the U.S. represented about 78 percent of the total value of its agricultural imports, with grains the dominant trade commodity. The U.S. imported \$2.6 billion in agricultural products from Mexico, principally vegetables, coffee, and live cattle, comprising over 90 percent of Mexico's agricultural exports.

Also this month, AO looks at recent trends in farm-related employment, and implications for the future. From 1975 to 1988, farm and farm-related industries—those directly or indirectly linked to agriculture—gained nearly 5 million jobs. In general, jobs declined in farming and the industries closely related to farming, with the exception of agricultural services. In the peripherally related industries, notably wholesale and retail trade of agricultural products, employment grew. These trends are expected to continue, and rural areas may continue to see their share of the nation's overall labor force shrink in the next decade.

The U.S. rice industry has seen domestic consumption surpass exports since 1989/90. Total and per capita rice consumption in the U.S. have risen substantially since the late 1970's. Among the reasons: a rapidly growing Asian- and Hispanic-American population, consumer health consciousness, more convenient rice products, and new uses for rice.

Abundant meat supplies and lingering weakness in the economy will dampen livestock and poultry prices. Lower egg prices are likely during the first half of 1992. Per capita egg consumption continues its gradual descent, but use of eggs in various products is increasing.

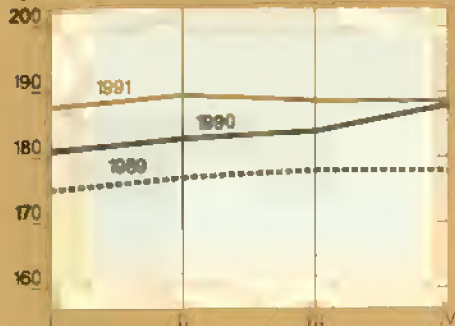
Fresh orange prices are expected to inch lower through the spring as California growers finish up the navel harvest and make way for the valencia crop. Potato and dry edible bean prices are running below year-earlier levels because of larger 1991 crops and stocks.

Commodity Overview

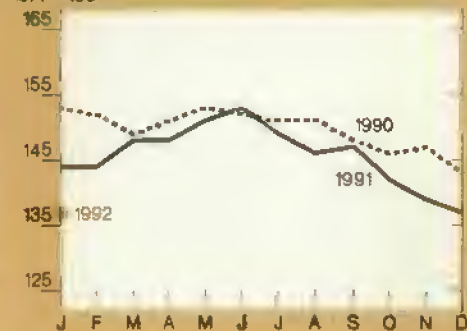
Prime Indicators

Index of prices paid by farmers

1977 = 100

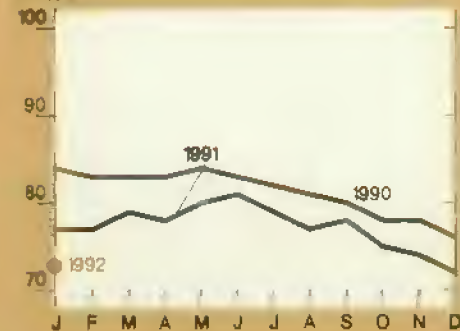
Index of prices received by farmers¹

1977 = 100

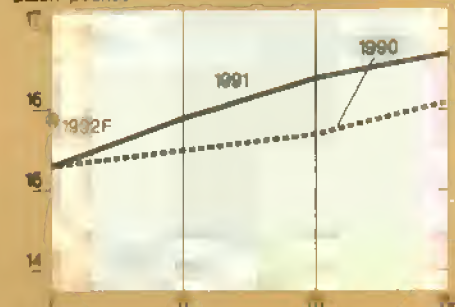


Ratio of prices received/prices paid

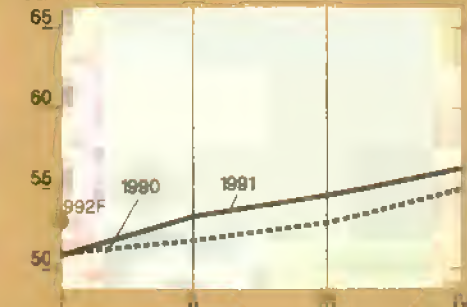
Percent

Total red meat & poultry production²

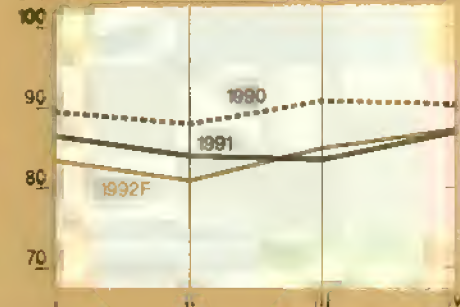
Billion pounds

Red meat & poultry consumption, per capita^{2,3}

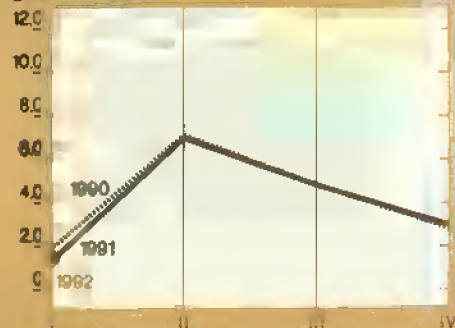
Pounds

Cash receipts from livestock & products⁴

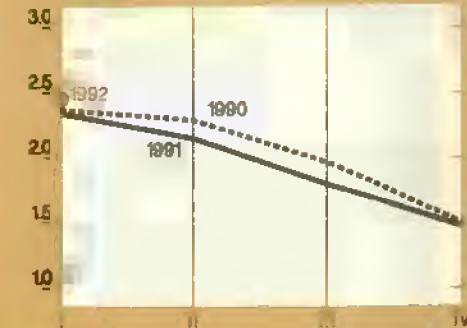
\$ billion

Corn beginning stocks⁵

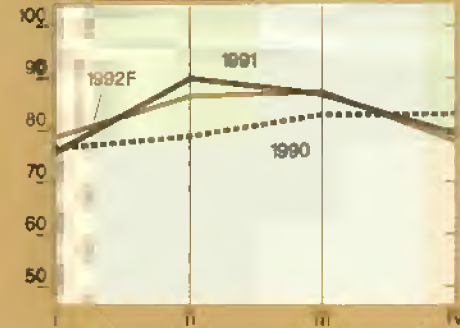
Billion bushels

Corn disappearance⁶

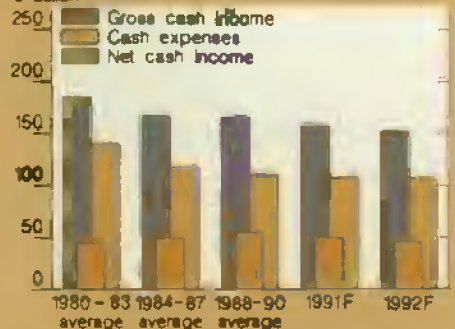
Billion bushels

Cash receipts from crops⁴

\$ billion

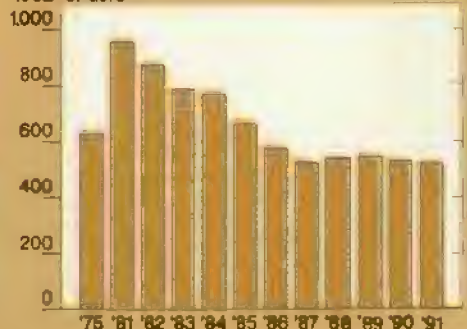
Real cash income (1987\$)⁶

\$ billion



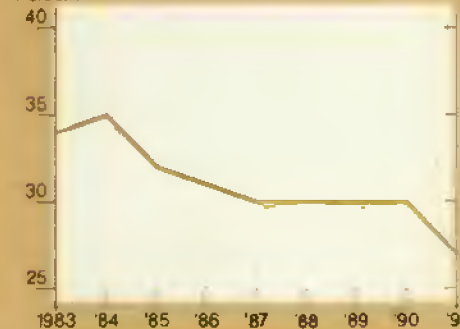
Average real value of farm real estate

1982 \$/acre



Farm value/retail food costs

Percent



¹For all farm products. ²Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts. ³Retail weight. ⁴Seasonally adjusted annual rate. ⁵Cash receipts, net of cash expenses, and ⁶1982 prices.

¹For all farm products. ²Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts. ³Retail weight. ⁴Seasonally adjusted annual rate.



Livestock, Dairy & Poultry Overview

While the egg industry has enjoyed several years of favorable returns, 1992 will be a challenging year, with lower prices likely at least during the first half. The flock size increased during recent months, and the specter of overproduction and sharply lower net returns clouds the outlook. Poultry production is expected to increase, but at a slower pace than in 1991, due to declining prices and increased feed costs. A sharp fourth-quarter drop in turkey stocks has improved prospects for turkey producers.

Continuing expansion of pork and poultry production should push red meat and poultry supplies to a record 71.6 billion pounds in 1992. Abundant supplies and lingering weakness in the economy will dampen livestock and poultry prices. Feed costs are projected to be slightly higher than last year, and producer returns are expected to be lower than in 1991. Supply increases will taper off in the latter part of 1992. (For the latest estimates in the livestock, dairy, and poultry markets, see tables 10-16.)

Eggs: A Challenging Year Ahead

While the egg industry has enjoyed several years of excellent returns, 1992 will be a challenging year, with lower prices likely at least during the first half. The flock size increased during recent months, and the specter of overproduction and sharply lower net returns clouds the outlook. On the positive side, egg product use continues to rise, and egg exports are expected to continue near the high levels of 1991.

Wholesale prices experienced a sharp drop in late December, bringing prices to the lowest level of the year. Price declines continued into the first quarter of 1992. The price weakness was due mainly to increased production from a laying flock about 2 percent larger than a year earlier. The flock size is expected to adjust by late 1992.

If producers respond to the lower prices during the first half of 1992, table-egg production is expected to decrease fractionally for the year. First-quarter production is expected to increase about 1 percent from a year earlier, followed by

no change to slight decreases for the rest of the year.

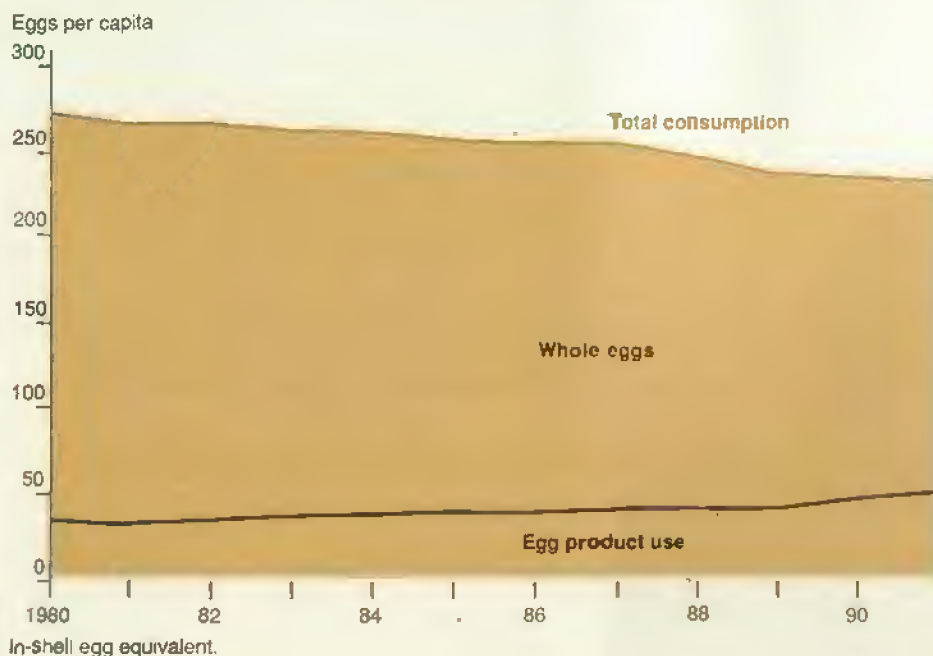
Egg Product Use Brightens Outlook

While per capita egg consumption continues its gradual descent, the use of eggs in various products is increasing. Per capita consumption in 1992 is estimated at around 232 eggs, compared with 233 in 1991. However, egg product use grew to around 51 eggs per capita, up from 48 in 1990, and claiming almost 22 percent of 1991 egg consumption. The growth in egg use for products is expected to continue.

Total use of shell eggs in the production of liquid, frozen, and dried egg products increased 9 percent in 1991, to around 1.15 billion dozen.

Liquid egg products continue as the most common form of processed eggs. About 38 percent of the breaker eggs were used in liquid form, compared with 35 percent in 1990. Dried and frozen egg products represented 34 and 28 percent of breaker egg use in 1991.

Egg Products Increase Their Share of Total Egg Consumption



Commodity Overview

Egg exports increased a sharp 50 percent in 1991 from 1990, to over 150 million dozen, the largest export level since 1982. The growth reflects lower U.S. prices, a doubling of egg product sales to Japan, and large EEP sales of table eggs, particularly to Hong Kong, with smaller amounts to the Middle East.

Exports in 1992 are expected to remain strong, but slightly lower than in 1991. U.S. prices are expected to average slightly lower, with the U.S. competitive position holding firm in Japan and Canada. However, the level of EEP sales will be an important factor in egg exports.

For 1992, weaker egg prices are expected, especially during the first quarter when New York wholesale prices will likely average in the high 60's to low 70's, compared with 86 cents a year ago. With Easter not until late April this year, seasonal price increases are not expected before late March. First-quarter retail prices are expected to average around 94 cents per dozen, well below the \$1.05 of a year ago, which reflected most of the Easter price impact.

Broiler Expansion Down, Prices Expected Lower

Faced with declining net returns over the last 2 years, broiler producers will likely hold 1992 production growth to around 4 percent, compared with last year's increase of more than 6 percent.

Expected increases in poultry as well as red meat supplies will continue to weigh on broiler prices during 1992. A weak economy and expectations for slightly lower broiler exports will intensify pressure on prices. Wholesale broiler prices will likely average 50-55 cents per pound during the first quarter of 1992 and 47-53 cents a pound for the year, both down slightly from 1991. During 1992, retail prices for whole broilers are also expected to average slightly below a year ago, at 84-90 cents a pound.

Slightly lower prices and higher grain costs will pressure net returns in 1992, and while likely to be above breakeven, returns will be well below last year's average of 6 cents per pound. Monthly

fluctuations in broiler prices and feed costs could result in periods of negative net returns.

Broiler exports will likely remain strong in 1992, but below last year's record due to expected lower exports to the former USSR. Continued competitive U.S. prices for dark meat parts will help exports, which are expected to reach 1.18 billion pounds this year, nearly 6 percent of estimated production. By comparison, 1991 exports were a record 1.2 billion pounds, despite a nearly 50-percent drop in exports to the former USSR.

The Pacific Rim countries will remain a large growth market in 1992. A healthy economic outlook there will support a steady increase in poultry meat consumption. The Pacific region will probably take over 50 percent of total U.S. broiler exports. Sales to Mexico and the Middle East are also expected to grow this year, but exports to the Middle East will hinge largely on EEP sales.

Increased Consumption Lowers Turkey Stocks

The record turkey stocks overhanging the market since the summer of 1990 were slashed 61 percent in the fourth quarter of 1991, to 258 million pounds. Fourth-quarter production was unchanged from a year earlier while quarterly per capita consumption and exports achieved record levels.

While the unchanged fourth-quarter 1991 output played a role in putting turkey supplies more in line with demand, the weightier factor was the increase in per capita use—about 3 percent, to a record 6.6 pounds. Extensive retail featuring of whole turkeys, both fresh and frozen, at bargain prices during seasonal holidays helped boost fourth-quarter consumption.

Poult placements indicate production in the first quarter of 1992 is rising by about 4 percent compared with a year ago. However, 1992 output growth is expected to remain near 1991's slow rate of about 2.5 percent, due to persistent poor returns.

Turkey producers are expected to remain cautious with prospects of continued low turkey prices and slightly higher feed costs. The annual December survey of producers in 20 major states shows intentions to raise only about 1 percent more turkeys this year. Low prices, coupled with fourth-quarter 1991 losses continuing into 1992, will likely make producers hesitate before embarking on any plans for major expansion.

Wholesale prices declined in January, and given increased turkey production, together with large supplies of other meats, producer prices will likely average slightly below a year earlier during the first quarter, and estimated net returns will remain below breakeven. While prices are expected to gain strength in the second quarter, they will likely continue below a year earlier and net returns will remain below breakeven.

Hog Inventories Continue To Expand

The 11-percent increase in January's hog slaughter is the fifth consecutive month of year-over-year gains in pork production—reflecting the buildup in hog numbers that began last March. The expansion phase of pork production is expected to continue through 1992.

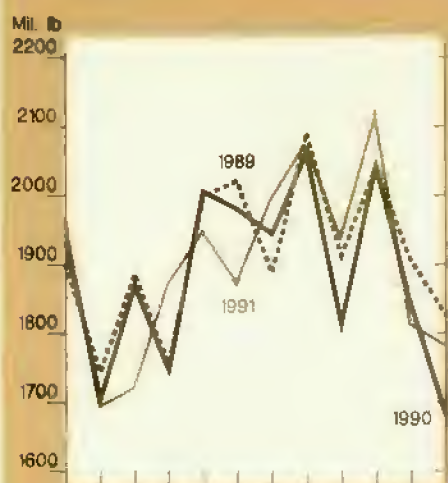
Continued growth in herds was reported in December's *Hogs and Pigs* report, which showed a 5-percent increase in market hogs, breeding herd, and total inventories. Higher rates of herd expansion were seen in Iowa, Minnesota, and North Carolina. Following a 7-percent rise from December to February 1992, a 1-percent increase in March-May farrowing intentions suggests some slowdown in producers' expansion plans. Even so, the current size of hog inventories and farrowing intentions continues to support expectations for record-high pork production in 1992, perhaps 16.9 billion pounds.

Currently both wholesale and retail prices are at the level of late 1988—peak production in the last hog cycle. Retail prices have fallen every month since August, despite December increases of 73 cents per cwt in hog prices.

Livestock & Product Output

Commodity Overview

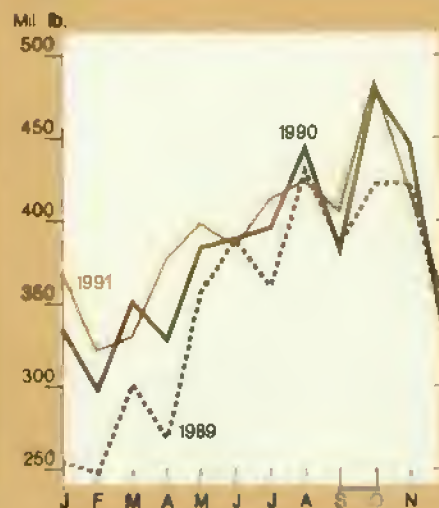
Commercial beef

Broilers¹

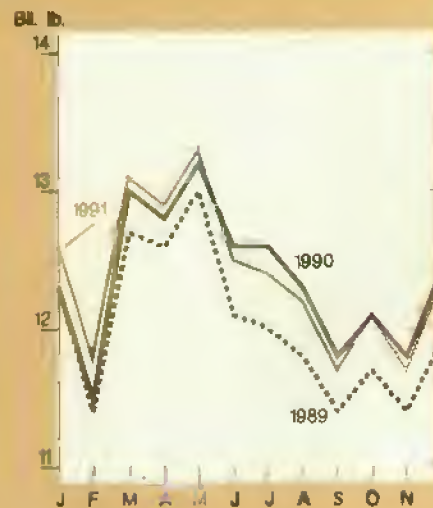
Eggs



Commercial pork

Turkeys¹

Milk



¹Federally inspected production, ready-to-cook.

Large supplies, increased competition from other meats, and lingering weakness in the economy have put downward pressure on producer and packer margins. Additional wholesale price declines or any strengthening of live hog prices would squeeze packer margins further.

Beef Prices Pressured By Pork, Poultry

In 1992, per capita beef consumption will again be about unchanged as population growth offsets production increases. However, expansion in the pork and poultry sectors is expected to boost per capita meat consumption 6 to 8 pounds. With

continued economic sluggishness, already high retail beef prices will come under increasing pressure from declining pork and poultry prices.

Late 1990 through early spring 1991 marked the peak in cattle prices for this cattle cycle. Even though beef consumption in 1991 was down only slightly from 1990's 68 pounds per capita, a deteriorating economy and expanding pork and poultry supplies dealt a quick knockout blow to cattle prices by midyear.

The latest *Cattle on Feed* and *Cattle Inventory* reports point to expanding beef supplies in 1993 as modest herd expansion continues. On January 1, 1992, cattle and calves on farms and ranches, at

100.1 million head, were 1 percent above the revised inventory of a year ago, and the largest inventory since 1987. The 1990 inventory was revised downward by 500,000 head to 98.9 million.

The expansion is a result of positive returns above cash costs since 1986, and favorable forage conditions despite periodic dry weather. Although prices and profit margins have declined since late spring, returns remained sufficient to sustain slow herd expansion this year.

All indicators point to an expansion in the calf crop in 1992. The number of heifers calving and entering the cow herd during the first half of 1991 was large, but slowed dramatically after midyear.

Commodity Overview

Lower cow slaughter and expansion in the number of cows entering the herd led to a 2-percent increase in beef cow numbers.

In addition, beef replacement heifers were up 3 percent from the accelerated pace of a year earlier. Many of the heifers are likely already bred and will calve and enter the cow herd in 1992. Heifer retention in 1992 for breeding should slow given the sharp price breaks since mid-1991 and expected larger supplies of calves.

Numbers of cattle on feed in the 13 quarterly reporting states on January 1 were 6 percent below a year earlier. However, the heavier weight groups had a large number of cattle on feed. Intentions for the winter quarter indicate fed cattle marketings will remain above year-earlier levels through spring. Placements during the fall quarter were 4 percent below a year earlier, a trend that persisted throughout 1991.

Feeder cattle supplies outside feedlots on January 1 were 5 percent above a year earlier. Yearling supplies were up 11 percent, while calf supplies were unchanged from a year ago. Larger supplies of cattle and already lower feeder prices suggest that placements in 1992 will increase 5 to 8 percent above 1991's low level.

No Boost in 1992 Milk Output

As in 1991, milk cow numbers during the first half of 1992 are expected to decline because of relatively low milk prices. However, the decrease is not expected to match 1991's, because of somewhat higher early 1992 prices and the adjustments already made in 1991. Between midyear and the end of 1992, cow numbers are expected to change little.

Milk per cow in 1992 will increase, but is not projected to match trend growth, due to relatively low milk-feed price ratios. Increases in concentrate feeding probably will continue to be limited.

Milk production is projected to be close to a year earlier throughout 1992. The rise in milk per cow may slightly outweigh the expected decrease in milk cow numbers of slightly more than 1 percent.

Higher farm milk prices during the second half of 1991 slowed declines in milk production. However, milk output remained fractionally below a year earlier at the close of 1991. The increase in milk per cow was outweighed by a sizable decrease in cow numbers.

For further information, contact: Richard Stillman, coordinator; Ron Gustafson, cattle; Felix Spinelli, hogs; Lee Christensen, Agnes Perez, and Larry Witucki, poultry; Jim Miller and Sara Short, dairy. All are at (202) 219-1285. **AO**

Field Crops Overview

Tight U.S. wheat stocks—the result of reduced acres and yields, and expanding export demand—have led to a sharp rise in prices since the start of the marketing year. With 1991/92 stocks down, the expected size of the 1992/93 wheat crop—along with export prospects—will have a critical effect on U.S. prices through the remainder of the marketing year.

In the world coarse grain market, consumption in 1991/92 is forecast slightly less than last year, and world trade is forecast off nearly 2 percent. With world corn trade falling and foreign competition rising, U.S. corn exports are projected down 12 percent from 1990/91. Although the U.S. still accounts for the lion's share of world corn trade, its market share is expected to be the lowest since 1986/87. [For the latest U.S. crop market outlook, see tables 17-19. World outlook estimates are in table 23.]

World Wheat Trade At Record High

Although world wheat production in 1991/92 is forecast down 8 percent from last season's record, at 546 million tons it remains the second highest historically. The largest declines occurred in the former Soviet Union and the U.S., which also account for most of the projected 2-percent drop in world consumption.

But world trade is estimated up 16 percent to a record 107.7 million tons. Most of the gain is due to a surge in imports by the former Soviet Union and by China. Trade in other countries is expected to rise only marginally.

Continued strong consumption is pulling down world stocks and stocks-to-use ratios. Tight U.S. stocks and strong world imports led to a sharp rise in wheat export prices since the beginning of the marketing year, leading some to speculate that world wheat prices may be headed for the markedly high levels of the early 1970's.

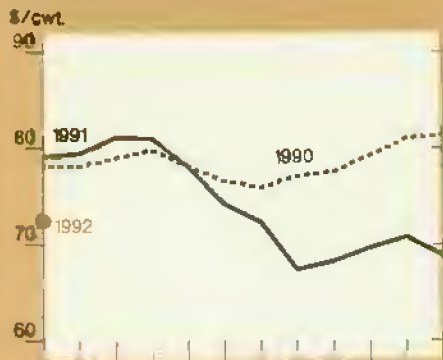
In 1972/73, however, competitor stocks were low and falling, leaving the U.S. as the primary source of supply when demand rose sharply. In 1991/92, on the other hand, large carryin stocks and record production in the EC and Canada boosted competitor supplies. Large surpluses are also available among several smaller exporters—Turkey, Saudi Arabia, and Eastern Europe. As a result, price increases are not expected to be as dramatic as in the early 1970's.

Nevertheless, the size of the 1992/93 wheat crop will be critical in determining prices. The current relatively high prices are expected to encourage producers in Canada, Argentina, and Australia to expand planted area in 1992/93. EC winter wheat area is not expected to contract significantly, if at all. The EC's setaside program instituted for 1992/93 apparently has failed to attract many participants, and higher yielding varieties are gaining in popularity. In addition, winter wheat area in the former Soviet Union is up. But China's winter wheat area may be down because of dry conditions.

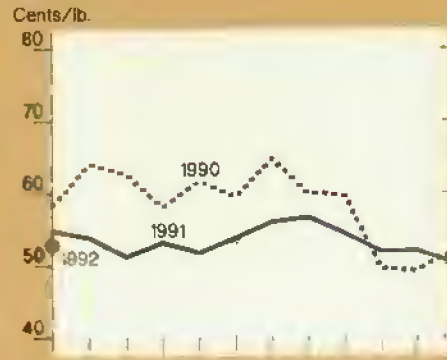
Commodity Market Prices

Commodity Overview

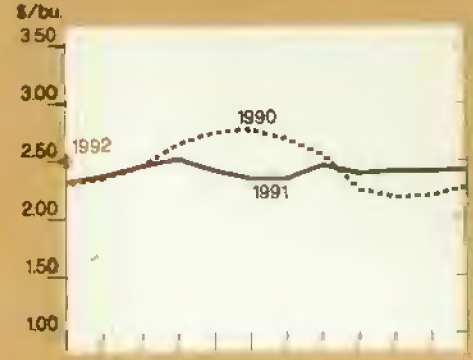
Choice steers, Nebraska



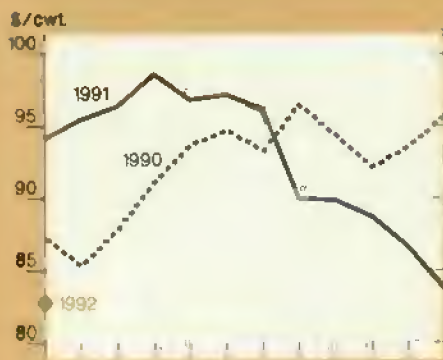
Broilers, 12-city average



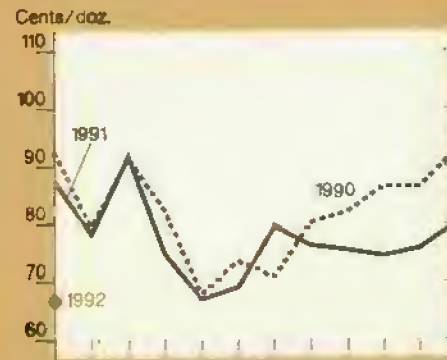
Corn, Central Illinois¹



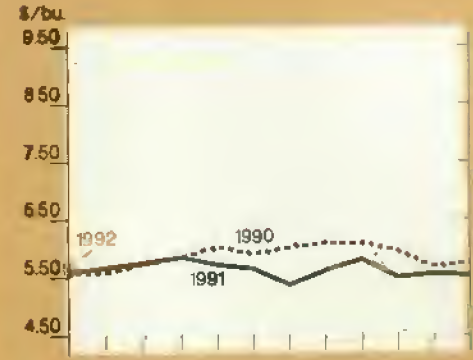
Medium steers, Oklahoma City²



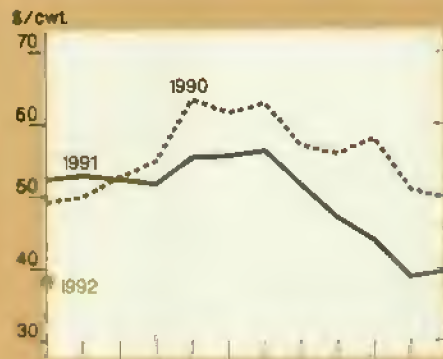
Eggs, New York³



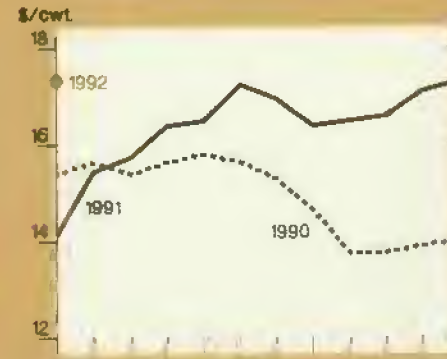
Soybeans, Central Illinois⁴



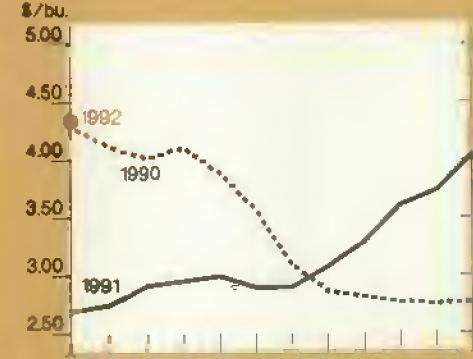
Barrows and gilts, 7 markets, Omaha



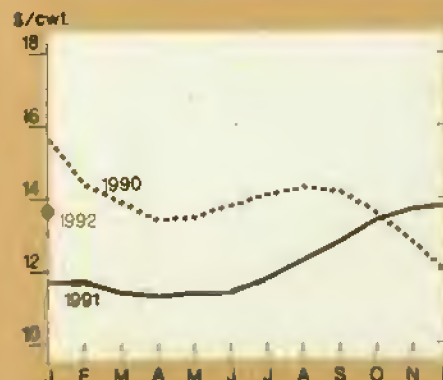
Milled rice, SW Louisiana⁵



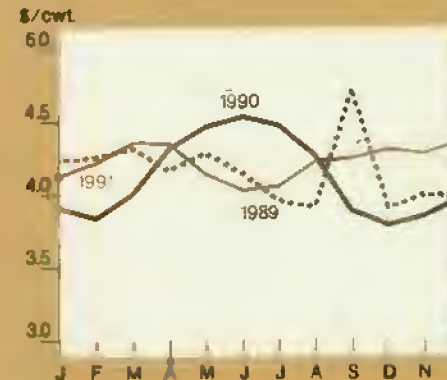
Wheat, Kansas City⁶



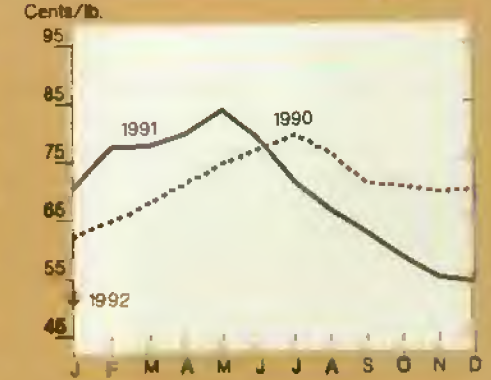
All milk



Sorghum, Kansas City



Cotton, average spot market



¹No. 2 yellow. ²600-700 lbs. medium no. 2. ³Grade A large. ⁴No. 1 yellow. ⁵U.S. No. 2 long-grain. ⁶No. 1 HRW.

Commodity Overview

Credits Shape Trade with Former USSR

Three allocations of U.S. export credit guarantees to the former Soviet republics have been made. In January 1991, \$1 billion was allocated for fiscal 1991. Another \$1.5 billion was allocated in June for fiscal 1991 and 1992, and a further \$1.25 billion was allocated in November for fiscal 1992.

Feed grains accounted for the largest portion of purchases in fiscal 1991. As of the end of the fiscal year, September 30, \$1.912 billion of credits had been used—\$1 billion from the January allocation and \$912 million from the June allocation.

In fiscal 1992, wheat has constituted the largest proportion of credit purchases from the U.S. By February 7, an additional \$1.184 billion in credits had been used—the \$588 million remaining from the June allocation and an early December release of \$596 million from the November allocation.

In January, purchasing temporarily ceased when the credits allocated for freight were exhausted because of the inability of the republics to pay transport charges in cash. But on January 23, the U.S. announced that \$93.8 million of the previous commodity allocations could be used to pay for freight as well as goods. After this announcement, purchasing resumed, using previously released credits.

The second installment from the November allocation—\$650 million—

was originally scheduled to be released in equal installments of \$200 million on February 1 and March 1 and \$250 million on April 1, although negotiators from the Republics requested release of the full \$650 million in February. On February 11, USDA released the February amount of \$200 million for immediate use. By February 14, all credits originally scheduled for February release had been used. The March allocation still is scheduled to be released for use in March.

The U.S. also has announced two allocations for aid donations to the former Soviet republics. The first was for \$165 million for fiscal 1992 and was announced in November along with the credits. At his January 22-24 Washington D.C. conference on coordination of aid for the former Soviet Union, President Bush announced another \$645 million in aid for use in fiscal years 1992 and 1993. Of this amount, \$500 million is for humanitarian and technical assistance and \$145 million for development and medical aid and other technical programs.

As of February 13, \$100 million of the first aid package is being delivered. These donations consist mainly of wheat flour, butter/oil, nonfat dry milk, rice, peas and beans, and powdered infant formula. The remainder of this aid has yet to be organized by the private voluntary organizations.

Feed Grains and Wheat Take Most of Credits for Republics

	Fiscal 1991	Fiscal 1992 ¹	Credits remaining for use in March
		\$ million	
Feed grains	1,103	312	51.0
Wheat and flour	253	507	80.0
Protein meals	381	219	14.0
Soybeans	123	95	10.5
Other commodities	52	51	19.5
Freight	0	0	25.0
Total ²	1,912	1,184	200.0

¹ Through February 7. Does not include an additional \$200 million released on February 11 and used by February 14. ² Includes freight of \$155 million in FY 1991 and \$115 million in FY 1992

U.S. Wheat Stocks Tighten

The 1991 U.S. wheat crop, harvested in the spring and summer of 1991, is estimated at 1.981 billion bushels, down about 28 percent from 1990/91. With total use projected up about 2 percent, ending stocks are forecast at 390 million bushels, the lowest since 1973/74.

The forecast increase in wheat use in 1991/92 is due entirely to larger exports. Largely because of sizable Soviet purchases, exports are forecast at 1.275 billion bushels, up 19 percent from last year.

In contrast, domestic wheat use, at 1.217 billion bushels, is forecast down 11 percent from last year. This decline is due mainly to a slide in feed and residual use. Tighter wheat stocks and higher 1991/92 wheat prices—projected at \$3-\$3.10 per bushel, up from \$2.61 in 1990/91—have shifted feed demand from wheat to corn.

With tight 1991/92 ending stocks, attention is focused on the potential size of the 1992/93 crop. Winter wheat seedings for 1992/93, now forecast at 50.2 million acres, are 2 percent under 1991/92, far below what was expected.

Much of the decline is due to the 7-percent drop in soft red winter seedings. The soft red winter crop was plagued by disease the past 2 years, and producers may have decided to shift to other crops. White wheat seedings are estimated up 5 percent, and hard red winter down slightly (see *Commodity Spotlight*).

Lower World Coarse Grain Output Expected

World coarse grain production is forecast to decline in 1991/92, but at 804 million tons, will remain relatively high. Most of the drop will occur in barley, which is down substantially in the former USSR. A slight increase is expected in corn production, led by Eastern Europe and the EC.

Among major Southern Hemisphere producers, conditions to date have been favorable for the corn crop in Argentina

and Brazil, but poor in South Africa. In Argentina, a major export competitor, production is forecast at 8 million tons, up from 7.6 million last season and the largest since 1987/88. In contrast, production in South Africa is forecast down 27 percent, with much of the country suffering from prolonged drought.

Global corn stocks are expected to decline as consumption gains more than offset increases in output. While the largest consumption gains are forecast for the U.S., substantial increases are also expected in East Central Europe, the EC, the former USSR, and China.

Foreign corn exports are forecast to rise by a third, led by increased shipments from China, Argentina, and Europe. And corn imports in two major U.S. markets—the former Soviet republics and Mexico—are expected down.

With total trade falling and foreign competition rising, U.S. corn exports are projected down 12 percent to 39 million tons. Although the U.S. share of the world corn trade in 1991/92 is forecast at 70 percent, it will be down sharply from the 80-percent average of the previous 4 years.

U.S. Corn Exports To Fall

U.S. corn production for 1991/92 is estimated at about 7.5 billion bushels, 6 percent below 1990. In part because of dry weather in the eastern Corn Belt in June and early July, corn yields were down, averaging 108.6 bushels per acre compared with 1990's 118.5 bushels. Sorghum output is forecast at 579 million bushels, near last year's level.

Total corn use in 1991/92 is forecast up 2 percent from last year, at just over 7.9 billion bushels. Domestic use is projected up 6 percent from last year, to 6.4 billion bushels, due to larger livestock inventories and less wheat feeding. But the projected decline of 12 percent in U.S. corn exports is expected to limit the total use tally.

Because of the overall increase in use, 1991/92 ending stocks for corn are fore-

cast at 1.091 billion bushels. This is 430 million bushels below carryin, and the lowest since 1983/84. The forecast price range for corn is \$2.30-\$2.60 per bushel, up from \$2.28 in 1990/91.

South American Soybean Production To Rebound

Global soybean production is forecast up 2 percent in 1991/92, with gains in the U.S. and Brazil accounting for most of the increase. Brazil's output, which will be harvested in April, is forecast up 13 percent from 1990/91's drought-stricken crop. But Brazil's just-completed plantings increased only 2 percent from last year's reduced levels, despite the government's package of new farm incentives and generally favorable weather.

In Argentina, improved economic conditions and agricultural reforms were partly undermined by storm damage in December and January. Planted area increased only 1 percent. The storms may also have adversely affected yields, although drier weather since then has improved conditions. Production is estimated just under last year's record level.

World soybean crush is also forecast up, reflecting improved prospects for soybean meal use in Europe and East Asia. Since these areas crush their own beans, 1991/92 global soybean exports are estimated up 7 percent while soybean meal exports remain about the same as in 1990/91. Greater total use is expected to push world stocks of both soybeans and soybean meal down slightly by the end of the year.

The shortfall in Brazil's 1990/91 output, coupled with relatively low South American stocks, is pushing 1991/92 U.S. soybean and product exports up. U.S. exports of soybeans are forecast at 18.1 million tons, 19 percent above last year, while soybean meal exports are forecast at 5.44 million tons compared with 4.65 million last year.

Increased demand for U.S. soybeans is coming from the EC, East Central Europe, the former USSR, and Korea. U.S. exporters are also benefiting from China's decreasing exports of soybean

FOR Storage Payments Halted

Storage payments to producers with wheat in the Farmer-Owned Reserve (FOR) were stopped on January 28, as the 5-day moving average of market prices used by USDA exceeded the trigger of \$3.80 per bushel. Storage payments amounted to slightly over 2 cents per bushel each month. As required by the 1990 farm act, cessation of storage payments will continue until prices are below the storage-stop trigger for more than 90 days.

While the storage payment stop removes an incentive to keep wheat in the FOR, producers who expect that wheat prices will increase in forthcoming months may choose to leave their wheat in the FOR. In contrast, producers who believe prices are at or near their peak are likely to redeem wheat in the absence of the 2-cent-per-month storage payment.

In recent weeks, producers were able to realize almost \$2 per bushel by cashing in their FOR loans (at a national average of \$1.95 per bushel) and selling at \$4 per bushel or more in the market. Redemptions during 3 weeks in January averaged over 3 million bushels, well above levels seen in earlier months.

meal. However, this year U.S. soybean meal will face increasing competition from South America, as well as from expanded supplies of cottonseed meal in China and rapeseed meal in the EC.

Estimated 1991 U.S. soybean production rose more than 3 percent above last season's 1.986 billion bushels. Yields averaged 34.3 bushels per acre, 0.2 above the record set in 1985.

The stronger outlook for soybean use is expected to hold 1991/92 carryout stocks near last year's level, at 325 million bushels. This year's larger expected production in Brazil will likely dampen U.S. soybean price increases, with season-

Commodity Overview

average prices forecast to range from \$5.25 to \$5.75 per bushel, down from 1990/91's \$5.75.

Another Record for World Rice Consumption

World rice production is forecast to drop from last season's record level to 346.4 million tons, milled basis, the second highest ever. With large carryin stocks, plentiful supplies will enable consumption to reach its fourth consecutive record at 352 million tons, while trade also rises. But with gains in consumption, ending stocks are forecast down nearly 10 percent.

Global exports are forecast up 8 percent to 13.4 million tons in calendar 1992, second only to the 1989 record. Thailand, a major world competitor, expects both a larger crop and stronger exports this year.

U.S. rice production in 1991 is estimated at 154.5 million cwt, 1 percent below 1990/91. The decline is due to a drop in harvested area to 2.75 million acres. Acreage was down in California due to reduced availability of irrigation water. In some areas of the Delta, acreage was down because of persistent rainfall at planting time.

Forecast total use in 1991/92, at 155.3 million cwt, is down about 4.5 percent from last year. Domestic use continues to grow and is forecast at 95.3 million cwt, up nearly 4 percent from 1990/91. However, at 60 million cwt, 1991/92 exports are projected down 15 percent from last year. U.S. prices have been high relative to world prices, effectively shutting out U.S. rice from some export markets.

U.S. ending stocks are forecast up 17 percent in 1991/92, at 28.9 million cwt, as use declines more than supply. The ending stocks-to-use ratio is forecast at 18.6 percent, up from the average of less than 17 percent for the last 3 years.

The relatively tight stocks situation and holding by farmers bolstered prices in the first half of the marketing year. U.S. rice prices are projected to range between \$7.20 and \$7.60 per cwt in 1991/92, compared with \$6.70 in 1990/91.

Rising Cotton Stocks Depress World Prices

In marked contrast to other crops, world cotton production is rising more rapidly than consumption in 1991/92. Ending stocks are expected to increase sharply to almost 35 million bales, 23 percent above beginning levels. Expectations of larger stocks are depressing world prices.

Global production is estimated up 6 percent to a record 92.2 million bales. With the exception of the former Soviet Union, Turkey, and Australia, most of the major producing countries had larger output. Pakistan produced a record crop, while China, India, Australia, Argentina, and Paraguay are producing the second-largest crops ever. And the U.S. crop was the third largest on record.

With world textile activity sluggish, cotton consumption is forecast to stagnate at 85-86 million bales. Nonetheless, consumption remains relatively high. Stagnant demand is reducing imports, and at 22.9 million bales, cotton trade is forecast to decline for the third consecutive season.

Total U.S. cotton use in 1991/92 is estimated at 15.9 million bales, down 3 percent from last year. However, domestic cotton mill use, estimated at 9.1 million bales, is the largest since 1966/67. The strong showing is mainly the result of high U.S. denim usage and larger exports of domestically produced cotton textiles.

U.S. exports are forecast down 13 percent to 6.8 million bales, due to reduced world trade and the rise in foreign supplies. The U.S. share of the market is 30 percent.

U.S. cotton production for 1991/92 is estimated at 17.5 million bales, up 13 percent from last year and the largest output since 1937. With larger production and smaller use, U.S. cotton stocks are expected to be replenished this season. Ending stocks in 1991/92 are forecast to reach 4.1 million bales, about 75 percent above the carryin level, bringing the stocks-to-use ratio to almost 26 percent. *[Joy Harwood (202) 219-0840 and Carol Whitton (202) 219-0824]*

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Specialty Crops Overview

Fresh orange prices are expected to inch lower through the spring as California growers finish up the navel harvest to make way for the valencia crop. Potato and dry edible bean prices are running below year-earlier levels because of larger 1991 crops and stocks. U.S. sugar prices weakened during 1991, and production rose marginally. [For the latest specialty crop conditions, see tables 20-22.]

California Oranges Post Strong Recovery

California oranges made an unexpectedly strong recovery from the 1990 December freeze, and the state could register its fourth-largest crop on record in 1991/92. February forecasts place the navel orange crop at 32 million boxes, up 103 percent from last year but 28 percent below 1989/90. The valencia crop is forecast at 28 million boxes, up 185 percent from 1990/91.

Late maturity and wet weather got the navel season off to a slow start. As of mid-January, 77 percent of the navels remained to be harvested—a slightly larger share than usual. Although California navels usually are marketed into May, volume begins to give way to valencias during April.

Early-season f.o.b. prices for California navel oranges were quite strong because of the previous season's low output and extremely small stocks of valencia oranges—the result of freeze damage. Although prices weakened seasonally during late December and early January, they remained relatively high by historical standards.

A larger volume of Florida fresh oranges also may have dampened prices for California navels. As of late December, Florida shipments were running about a third

higher than a year earlier. The freeze in California last season opened new fresh-market opportunities for Florida oranges that have carried over to this season. Fresh orange prices may weaken further during March and April as growers finish harvesting navels and make way for valencias.

Florida's 1991/92 orange crop is forecast at only 139 million boxes, down from 151 million a year earlier. The number of oranges per tree is unusually low this season due to weather conditions, but quality reportedly is good. Generally, more than 90 percent of Florida's oranges are processed, mostly for juice. The frozen concentrate juice yield is forecast at 1.51 gallons per box, up from 1.45 last season.

Potato Output Up, Prices Down

A 5-percent-larger fall potato crop boosted January 1 fresh stocks 8 percent above a year earlier and 22 percent above 2 years ago. The fall crop is estimated at a record 371 million cwt, and the larger harvest and stocks have dragged prices below last year's.

Stocks held in the Central states were 28 percent larger than a year earlier, while Western states' holdings were up 6 percent. The Red River Valley rebounded from 3 years of drought, with stocks up 68 percent in North Dakota and 26 percent in Minnesota. But Eastern states held 17 percent lower stocks than last year.

Processors' stocks of frozen potatoes on January 1 were up by only 1 percent from a year earlier. Although holdings of frozen french fries, the largest component of processed stock, were down 6 percent, a 24-percent increase in other frozen potatoes pushed the total frozen stock up slightly.

The first estimate of the 1991 season-average potato price is \$5.05 a cwt, down 17 percent from 1990's \$6.08. Monthly average grower prices were \$4.14 and \$4.11 a cwt in December and January compared with \$5.46 and \$5.65 a year earlier.

Grower receipts for all potatoes will fall short of 1990 returns which were below the year before. The value of 1991 production is estimated at \$2.1 billion, down 12 percent from 1990 and 22 percent from 1989's record levels.

Record Dry Bean Crop Pushes Prices Down

Dry edible bean prices fell below the depressed 1990 crop returns as bumper crops in the North Central states pushed total production 2 percent above last season and 1 percent higher than the record set in 1981. Grower prices averaged \$15 and \$14.40 per cwt in December and January, compared with \$18.80 and \$17.20 a year earlier.

Production is estimated at a record 33 million cwt, up from 32.4 million in 1990, and 39 percent higher than 1989 output. Area harvested was down 11 percent, but the average yield was a record high.

Navy bean production rose 20 percent because of record yields in Michigan and North Dakota. Larger acreage and higher-than-average yields resulted in a 71-percent increase in baby lima production, while large limas gained 29 percent. Production gains also were registered among small red, small white, cranberry, dark red kidney, and blackeye classes. Great Northern bean output fell 9 percent from last year while pinto production was off by 1 percent. Light red kidney, pink, and black turtle soup beans were down 21, 31, and 40 percent.

F.o.b. dealer selling prices for Navy beans in Michigan during the last week of January were \$17.50-\$18.00 per cwt, compared with \$20 a year earlier. Pinto beans were selling in the \$16.50-\$17.00 range, compared with \$19-\$20 during the last week of January 1991.

Prices for major types of beans will likely remain low, at least until initial indications of producer planting intentions for 1992 are announced in March. The low prices should give Navy and pinto bean exports a boost in 1992.

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Sugar Output Marginally Higher, Prices Weak

Estimated fiscal 1991/92 U.S. sugar production from cane and beets is 7.1 million short tons, raw value, up 2.7 percent from 1990/91. Lower yields of sugar per ton of beets and cane limited the increase.

Beet sugar output is expected to total 3.7 million tons, raw value, 4 percent less than the previous year's output. Output of refined sugar per ton of sugarbeets is forecast to average 10 pounds less than a year earlier. With recent warm weather, the condition of stored beets has deteriorated, which may further hamper sugar recovery.

Raw cane sugar production is estimated at 3.4 million tons, up 11 percent this year. The increase is largely the result of a closer-to-normal output in Louisiana than last year.

U.S. sugar use is forecast to increase about 1.4 percent in 1991/92, to 8.9 million tons. The growth in use comes from the confectionery, bakery, and cereal industries. Imported sugar will account for an estimated 1.5 million tons of U.S. consumption in 1991/92, closing most, but not all, of the gap between domestic production and consumption. The remainder is expected to come from stock drawdowns which could place upward pressure on domestic prices later this year.

U.S. prices (Contract No. 14 nearby futures, c.i.f. duty paid, New York) averaged 21.57 cents a pound in calendar 1991, down from 23.26 the year before. January 1992 prices averaged 21.39 cents. [Glenn Zepp (202) 219-0883]

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Commodity Spotlight



USA Rice Council

Rice Industry Looking Homeward For Growth

Until 2 years ago, the U.S. rice industry looked to the export market for much of its growth. From 1962/63 to 1989/90, exports annually exceeded domestic use. Since then, however, rice exports have sagged and domestic consumption has expanded, surpassing exports. Producers are now looking in their own backyard as U.S. consumers take a second look—and a second helping—of rice.

Although rice remains a relatively small part of the average American diet, total and per capita rice consumption in the U.S. have risen substantially since the late 1970's. Among the reasons are a rapidly growing Asian- and Hispanic-American population, consumer health consciousness, more convenient rice, products, a larger variety of rice dishes and flavored mixes, and new uses for rice such as pet food.

Americans consume rice in three forms—as direct food use (whole grain), in beer (brewers' use), and as an ingredient in processed foods. Direct food use is the

largest, accounting for almost 59 percent of total domestic use in 1988/89. Direct food use includes the familiar regular milled white rice, but also specialty rices such as parboiled, precooked, brown, and aromatic rice. Brewers' use accounts for 23 percent of the total, and rice for processed foods makes up 18 percent.

Annual U.S. rice consumption (including imports) has virtually doubled since 1978/79, from 26.9 million cwt (milled basis) to an estimated 51.6 million in 1990/91. Consumption expanded from 1980/81 to 1990/91, rising almost 65 percent, compared with 27 percent from 1969/70 to 1978/79. Per capita consumption of all rice increased from 10.3 pounds in 1975/76, to an estimated 20.5 pounds in 1990/91.

Data for this article are derived from three sources. USDA's biannual milled rice distribution survey provides information about direct food and processed food uses of rice. The U.S. Treasury Department supplies data on brewers' use of rice, and the Commerce Department provides data on rice imports.

Processed Food Use Shows Fastest Growth

Processed food use is the fastest growing category of U.S. rice consumption, more than doubling during the 1980's. The growth is the result of developing new rice products such as rice cakes, as well as new ways to use rice as an ingredient in other products, such as pet food.

Traditional processed food uses of rice include cereal, soup, and baby food. Use of rice by soup and baby food producers began to increase significantly in the early 1990's after two decades of near-stagnant sales. Cereal is the largest processed food use of rice, accounting for 46 percent of processed food use in 1988/89, down from two-thirds in 1975/76.

Although almost flat from 1966/67 to 1978/79, use of rice in cereal increased rapidly through 1986/87. Large rice supplies and lower prices led to incentives for finding new uses, and new cereal products were a promising outlet. Cereal

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accounted for the bulk of growth in processed food use of rice during the early and mid-1980's.

Use of rice in cereals began to drop in the late 1980's. Competition from other grains such as oats and barley, and greater use of rice bran instead of milled rice in cereals, have accounted for diminished growth in cereal use of whole grain rice.

Packaged mixes, the second-largest processed food use of rice, have continued to expand since the early 1980's, growing from under 400,000 cwt in 1982/83 to at least 2 million by the early 1990's. Variety, convenience in cooking, and the ability to add new flavors frequently to product lines have contributed to this growth. Almost all rice used in package mixes is high-quality southern long grain rice.

Rice cakes and pet food, two relatively new uses of rice, were the fastest growing processed markets in the late 1980's. By 1988/89, pet food and rice cakes were the third- and fourth-largest processed food uses of rice. These two products together expanded total domestic rice use by almost 1.4 million cwt, or 3.3 percent between 1986/87 and 1988/89.

Other new processed food uses of rice, such as in candy and frozen dinners, have also grown since the mid-1980's. But neither candy nor frozen dinners account for as much rice as pet food or rice cakes.

Specialty Rice Gains Popularity

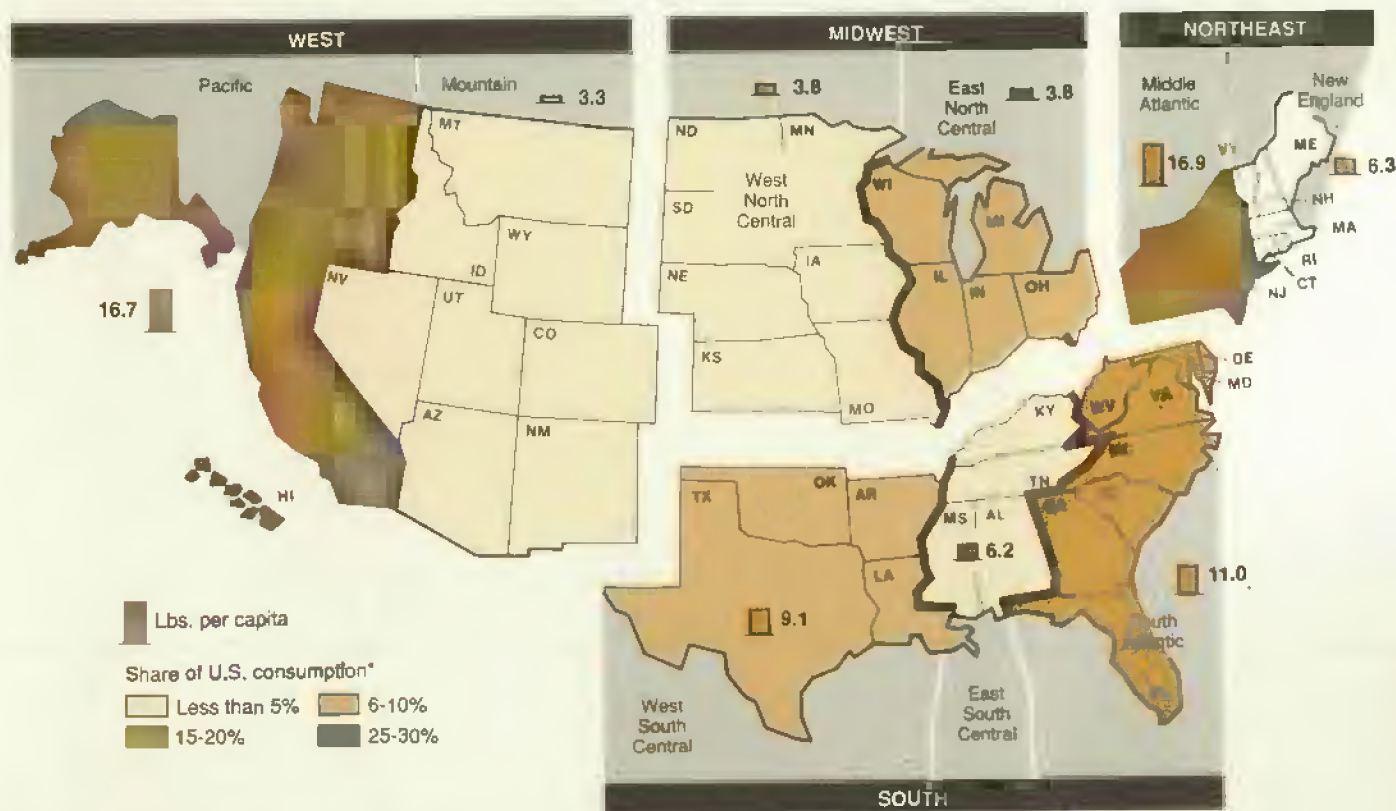
While direct food use expanded more rapidly in the 1980's and early 1990's than during the previous 15 years, growth var-

ied among products. Specifically, specialty rice consumption has grown much faster than regular milled white rice.

Specialty rice as a share of direct food use rose from 18 percent (3.4 million cwt) in 1980/81, to 23 percent (5.8 million cwt) in 1988/89. These figures do not include imports—predominantly aromatic rices (jasmine from Thailand, and basmati from India and Pakistan). Imports totaled 3.8 million cwt (rough basis) in 1988/89 and have expanded each year since.

Consumption of parboiled rice increased from 2 million cwt in 1980/81 to 4.4 million in 1988/89. Almost all parboiled rice is southern long grain, and is easier to cook than regular milled white rice since timing is not as critical. Parboiled rice retains its shape and texture much longer after cooking, making it attractive

Rice Consumption Is Heaviest on East and West Coasts

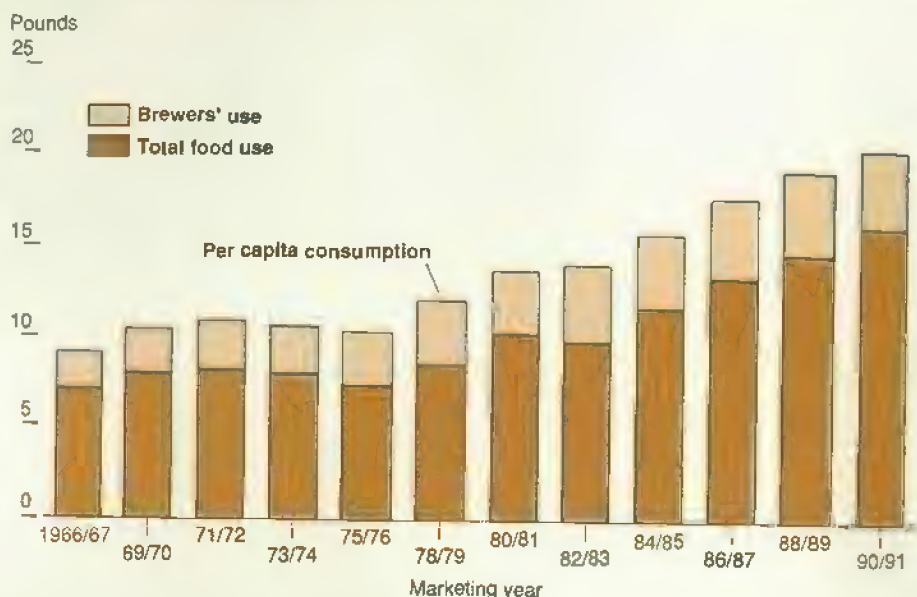


Data for 1988/89 marketing year.

*Share of total direct food use.

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Domestic Rice Consumption Takes Off



Total food use includes imports. 1990/91 estimated.

Sources: Total food use from USDA's biannual survey of milled rice distribution; brewers' use reported by U.S. Treasury.

for use in soups and frozen dinners, and by restaurants that place food under heat lamps or in microwaves.

Brown rice consumption advanced from 375,000 cwt in 1980/81 to well over 1 million in 1990/91. Brown rice, which retains the bran layer that is removed during the complete milling process, contains more fiber and nutritional value than white rice. If current USDA research is successful in extending shelf life without changing texture or appearance, brown rice consumption may climb even faster.

Domestic aromatic rice remains a very small portion of specialty rice consumption. But demand for imported basmati and jasmine rices, which are popular among Asian immigrants, likely will expand as this ethnic group continues to grow.

By contrast with the fast-growing processed food uses of rice, brewers' use—once the only growing domestic market for rice—is now the slowest growing outlet for rice domestically. Brewers' use of rice rose only 41 percent from 1978/79 to 1988/89, and actually dropped slightly between 1988/89 and 1990/91.

In the early 1980's, larger stocks of rice, and fewer alternative uses for broken rice made rice an attractive, low-cost ingredient in beer. As rice availability dropped

and prices rose in the late 1980's and early 1990's, some brewers substituted corn for rice, or mixed more barley with the rice.

East, West Coasts Are Big Markets

Per capita consumption of rice varies greatly among regions and states. Detailed data on consumption exist only for domestic direct food use, which represents about 59 percent of rice shipments within the U.S.

The Middle Atlantic region had the highest per capita use in 1988/89, almost 17 pounds, with most growth occurring after the late 1970's. The Pacific region was a close second, with per capita use of 16.7 pounds in 1988/89, almost double the region's per capita direct food use in 1975/76. The Pacific region had the highest per capita consumption throughout the 1970's and most of the 1980's. The South Atlantic ranked third, as per capita use jumped from 7.9 pounds in 1984/85 to 11 in 1988/89. In all other regions, per capita consumption in 1988/89

A Glossary of Rice Terms & Types

Aromatic rices—Offer distinctive flavor and aroma, and come in two forms—basmati and jasmine rice. Basmati rice has a distinctive aroma when cooked, and grains remain firm, dry, and separate. Grown in the Punjab area of central Pakistan and northern India. Jasmine rice also has distinctive aroma. Cooked grains are frequently moist, soft, and stick together. Imports are from Thailand.

Brewers' rice—The smallest size of broken rice fragments. Used in pet foods and as a source of carbohydrates in brewing.

Brokens—Kernels of rice that are less than three-fourths the length of whole kernels.

Brown rice—Whole or broken kernels of rice from which only the hull has been removed. May be cooked and eaten as is, or milled to produce regular

milled white rice. Cooked rice has a slightly chewy texture and nut-like flavor. Light brown color is due to the presence of seven bran layers rich in minerals and vitamins, especially the B-complex group.

Parboiled rice—Rough rice soaked in warm water under pressure, steamed, and dried before milling. Cooks fluffier, and grains remain better separated, than regular milled white rice. Has a chewy and wholesome taste, but takes longer to cook than regular milled white rice.

Precooked rice—Rice that has been cooked and dehydrated after milling, reducing the cooking time.

Rice bran—Outer cuticle layers and germ directly beneath the hull, removed during the milling process. Rich in protein and natural B-vitamins. Rice oil is extracted from rice bran.


was well below the national average of 10.4 pounds (excluding imports).

Although the West South Central region had the highest per capita consumption prior to 1969/70, per capita use has declined in this region since the mid-1980's, falling from 14 pounds in 1984/85 to 9.1 pounds in 1988/89.

Future growth in rice consumption will likely be strongest among such processed products as snack items, packaged mixes, and pet food, as demand for prepared and fiber-rich foods continues to grow. Also, certain specialty rices, such as parboiled, brown, and aromatic rice likely will continue to grow as a share of the U.S. rice market.

The greatest expansion in U.S. rice consumption will probably occur in locales where per capita use is already well above the national average, notably in the Pacific, Middle Atlantic, and South Atlantic regions. This concentration is due largely to the ethnic makeup of these regions.

Asian-Americans currently are the fastest growing ethnic group in the U.S., doubling in number during the 1980's. Immigrants from Asia accounted for 46 percent of total immigration into the U.S. from 1981 to 1988. The number of Hispanic-Americans, who rank second in population growth, increased over 40 percent from 1980 to 1989.

Both groups consume rice at levels substantially above the national average. With an increasing number of Americans considering rice as a primary dietary staple, direct food use could expand in the 1990's at a greater pace than a decade earlier. [Nathan Childs (202) 219-0840] 

Why the Drop In Winter Wheat Seedings?

Data reported in the *Winter Wheat and Rye Seedings* report on January 10 caught many observers by surprise. This report, which provides the first USDA estimate of winter wheat seedings for the 1992 crop, showed that seedings were down 1.6 percent, confounding industry expectations of a 4-8-percent increase. Kansas City contract wheat prices closed 7 cents higher the next business day, largely in response to the report.

Why were winter wheat seedings expected to increase in 1992? First, the 1992 acreage reduction program (ARP) of 5 percent for wheat allowed participating farmers to plant more wheat than in 1991, when the ARP was 15 percent. Second, USDA's forecast of a tight stocks-to-use ratio for 1991/92—reflecting reduced U.S. supplies and stronger export demand—increased the probability of better returns to wheat growers in 1992. These two factors suggested that wheat plantings in 1992 could significantly exceed those in 1991.

Prices Are Likely An Issue...

Despite the forecast of a tight stocks-to-use ratio, prices did not advance markedly until after planting decisions were made. The average price received by farmers in July—at \$2.50—was at the lowest level for that month since 1987. During September, when many farmers were planting, prices averaged \$2.80—about 30 cents above the previous year.

A more optimistic export outlook—as well as other factors—caused prices to climb later in the fall. The average price received by farmers for October advanced to \$3.07 (64 cents above last year). And in December, prices jumped

to \$3.44 (\$1.04 above last year). But these large price increases occurred well after most farmers had made their planting decisions.

Increased exports played an important role. Between April and the end of September, the Soviets had purchased very little U.S. wheat. But with U.S. credit program changes, large wheat sales resumed at the end of September.

Other factors served to tighten the U.S. stocks situation and boost prices after planting decisions had been made. For instance, the forecast for 1991 crop production dropped by 51 million bushels from July to November. In addition, domestic use was relatively large between June and September.

...And So Is the Wheat Program

The 1992 wheat program was likely also an important factor influencing winter wheat plantings. Under the 1992 wheat program, participants receive no deficiency payments on normal flex acres (15 percent of their base).

But for the 1991 program, winter wheat producers could choose between normal flex acres or a special, 1-year "winter wheat option," which allowed them to receive payments on more acres, but at a slightly lower payment rate. About 53 percent of wheat base acres were enrolled under the 1991 winter wheat option.

The winter wheat option does not exist for 1992 crop wheat. Participating farmers made planting decisions for their normal flex acres based on expected costs and market returns.

With the winter wheat option gone, the 15-percent normal flex acres provision probably had a greater impact on wheat growers than in 1991. Wheat is often grown in areas where future yields can be enhanced by leaving the land fallow for some time, permitting moisture to accumulate.

Commodity Spotlight

At planting time last fall, some wheat farmers may have thought that prices did not justify planting their most marginal land, especially given the dry conditions in certain areas at planting. As a result, producers with marginal land may have felt little incentive to take advantage of the reduced ARP and increase wheat plantings. Instead, they may have left that land fallow.

Moreover, some producers may plan to use their normal flex acres to plant crops other than wheat, if they expect that other crops would offer higher net returns.

Seedings Varied By Region & Class

The change in winter wheat seedings between 1991 and 1992 varies widely by region and class. In the Great Plains, where hard red winter wheat is the major class, winter wheat seedings were down 1 percent. The 15-percent nonpayment provision likely had a strong impact on this area, where a fallow rotation is common. In addition, Kansas was hit by a prolonged dry spell at planting and emergence—likely a major factor further discouraging some producers from increasing seedings.

While hard red winter plantings were reported down slightly, soft red winter wheat acreage dropped even more steeply—7 percent below a year earlier. Many soft red winter producers likely chose not to plant wheat because of poor yields and quality problems in recent years. Largely because of weather conditions and disease, soft red winter yields in 1991 averaged only 34 bushels an acre, down for the third straight year since the record 49 bushels in 1988. And prices this past summer in many soft red producing states averaged well below last year.

Other factors were also at work. Soft red is grown mostly in states along the Mississippi River and to the east, where many producers have more planting options than producers in the Plains states.

Moreover, producers of soft red participate in the wheat program to a much lesser extent than producers of other classes, so the reduced ARP provided less incentive for increased plantings.

White wheat is the only winter class that experienced an increase in seedings, up 5 percent from 1991. White wheat production in 1991 was down more than any other class, and prices have averaged highest of all classes this past fall, providing an incentive for increased plantings.

What Are the Effects Of Lower Plantings?

Although the winter wheat seedings report led many trade analysts to reduce their 1992 crop forecast, several factors are likely to soften the impact on 1992 production prospects. For instance, now that wheat prices have increased, so have incentives to plant more spring wheat.

Moreover, late winter wheat plantings were still possible in major producing areas in February. As a result, some increase in plantings may occur, but the yield potential is questionable.

In addition, the decline in wheat seedings in certain states, like Texas, does not necessarily mean that less area will be harvested. Producers in such states often hay or graze a substantial portion of the wheat they plant rather than harvest it for grain. But if high prices continue, farmers would likely harvest a larger-than-normal portion of their planted area.

[Ed Allen and Joy Harwood (202) 219-0840] **AO**

World Agriculture & Trade



How Short Are Food Supplies in Former USSR?

The deepening food crisis in the former Soviet republics cannot be explained simply by falling farm output, nor by poor productivity or infrastructure. During the Gorbachev years (1986-90), average annual output of grain and meat was actually about 20 percent higher than during 1981-85.

True, in 1991 the Soviet grain harvest fell an estimated 26 percent below the near-record harvest of 1990. And since agricultural labor productivity is only about one-tenth that of the U.S., potential still exists for substantial gains in efficiency, productivity, and output. Nevertheless, in 1990 the Soviets harvested a grain crop just under the 1978 record of 237 million tons.

Poor infrastructure is also cited as a source of the current food crisis. Arguably, downstream agricultural activities—transportation, storage, and processing—have been the most neglected and inefficient sectors in the Soviet economy. Losses in handling have been estimated

as high as 30 percent for grain and 50 percent for potatoes and vegetables, and elimination of such losses would go far to end existing shortages.

Yet the problems associated with falling farm output, productivity, and poor infrastructure have existed throughout the postwar period, and thus do not add up to sufficient explanation for the growth of consumer food shortages under Gorbachev.

Causes Lie Beyond The Farm Gate

A more likely explanation for growing food crisis is that the general wage, price, and monetary policies in effect during the Gorbachev years distorted demand and weakened the distribution system. By 1991, these conditions finally began to affect the supply side of the economy, causing output to fall across all sectors, including agriculture.

From 1985 to 1990, money incomes rose by more than 50 percent, while productivity growth was slight. In 1991, percentage growth in money wages was even higher than in previous years. Workers in many cities and regions re-

ceived wage increases of 50-100 percent, usually to placate them for grievances.

But while money incomes grew, prices for food and most other consumer goods were not allowed to rise to clear the market. Shortages appeared, where existing output could not satisfy steadily increasing consumer demand fueled by the rising money incomes. Consumers simply were earning more rubles than they could spend at existing prices, creating a large overhang of unspendable rubles. The telltale signs of shortages began to appear—long lines for goods, hoarding, barter, and black market activity.

A more basic consequence, as well as a major short-run problem facing the newly independent republics, is that the ruble's status as an accepted medium of exchange has seriously eroded. As a result, central procurement and redistribution authorities have had increasing difficulty purchasing farm output, as farmers are more and more reluctant to sell for rubles alone.

By 1991 the repressed inflationary pressure of the late 1980's finally gave way to rampant inflation. In areas of the economy lacking price controls, prices rose at annual percentage rates well into three

figures. The fear of large price rises strengthened the aversion to accepting rubles, further weakening the ruble as a means of exchange.

With farms, enterprises, regions, and republics all averse to giving up goods in return for rubles, crude barter is becoming the dominant method of exchange between regions and republics. If a region is not self-sufficient in a foodstuff and does not produce a valuable product for barter, it will be vulnerable to a serious shortage of the food commodity.

The breakup of the union and collapse of the central supply system based on command have also contributed to the disruption in the flow of goods between and within republics. With the fall of the central command system of production and distribution, it might be assumed that a decentralized market system of exchange would readily develop. Yet a necessary condition for well-functioning markets is that commonly acceptable money exist to facilitate exchange. At present, enterprises, regions, and republics consider the sale of output for rubles alone, especially to central authorities, as a subsidy to buyers. Such thinking is strengthening autarkic attitudes.

Disincentives To Produce

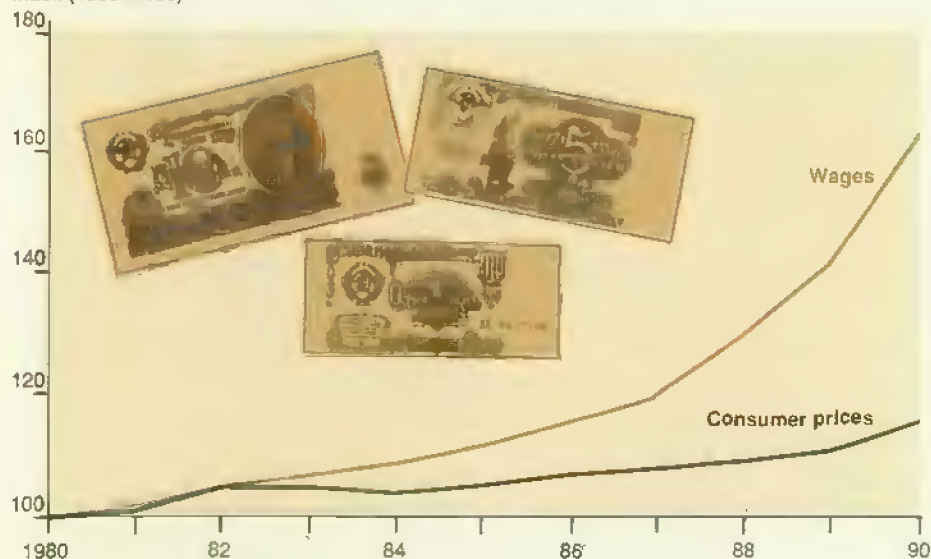
Although decreased output was not the initial cause of the shortages, the monetary problems and subsequent demand and distribution problems are now causing production to fall throughout all sectors of the economy, including agriculture. Official Soviet figures indicate that GNP, industrial production, and agricultural output in the former union all probably dropped 10-15 percent in 1991.

One reason for lower output is that the decreased flow of goods throughout the economy has kept many factories and farms from receiving necessary inputs. But the money surplus itself is also reducing incentives to work and produce.

Some Soviet agricultural officials believe that attempts to stimulate farm output through higher producer prices have backfired. Because the value of additional ruble income was judged so low, farmers chose not to increase revenue or

Wage Upswing Dwarfed Price Rise During Gorbachev Years

Index (1980 = 100)



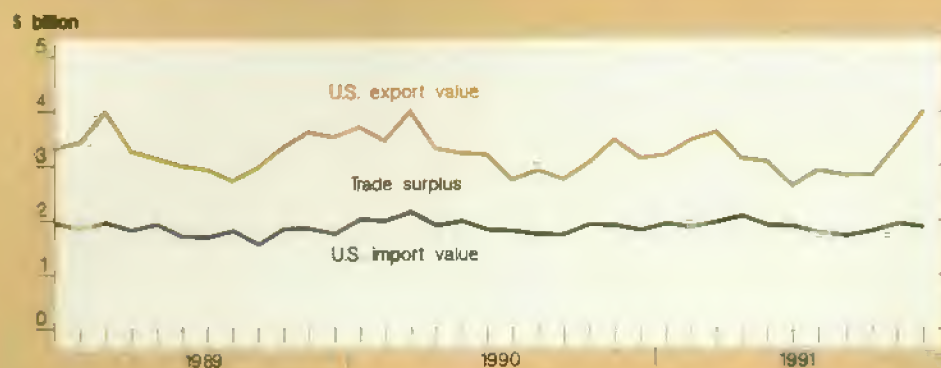
Monthly wage in rubles.

Source: Soviet Statistical Yearbook.

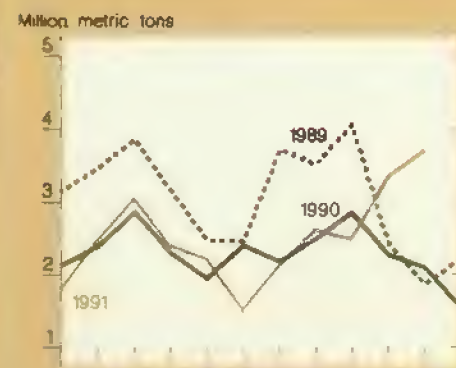
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U.S. Trade Indicators

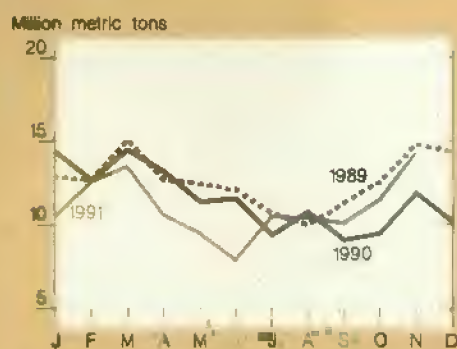
U.S. agricultural trade balance



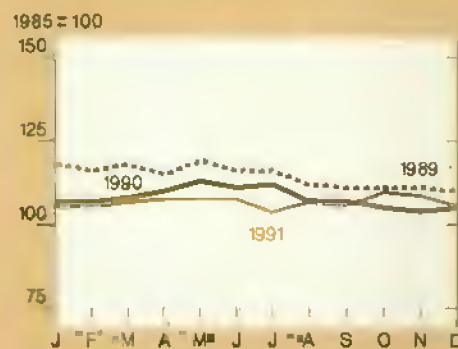
U.S. wheat exports



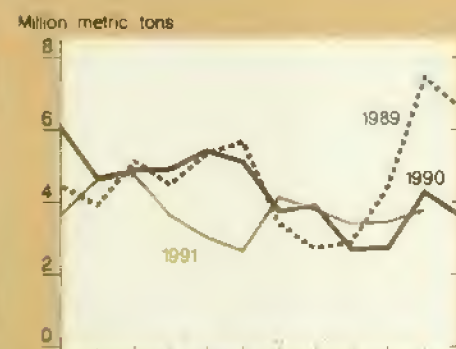
Export volume



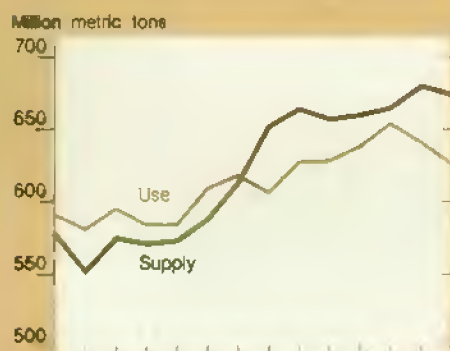
Index of export prices



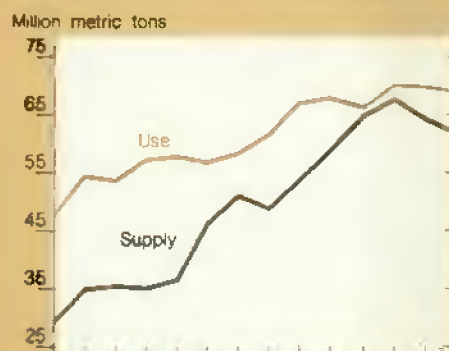
U.S. corn exports



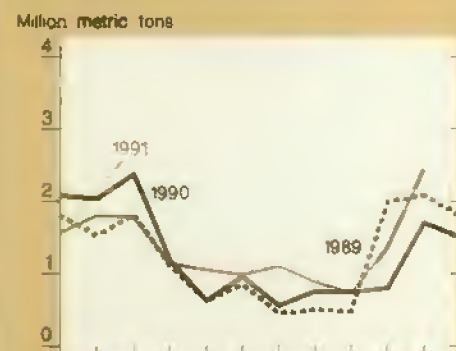
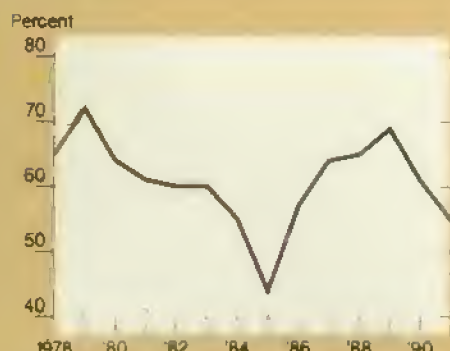
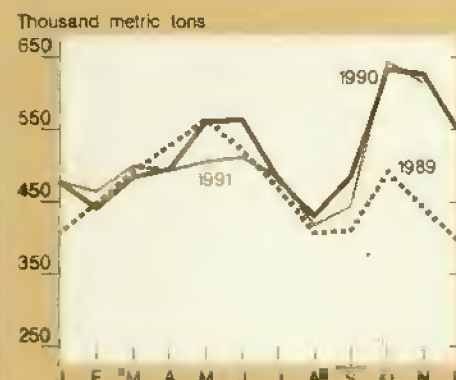
Foreign supply & use of coarse grains



Foreign supply & use of soybeans



U.S. soybean exports

U.S. share of world coarse grains exports^{1,2}U.S. share of world soybean exports^{1,2}U.S. fruit, nut & vegetable exports³¹Excluding intra-EC trade. ²October-September years.³Includes fruit juices.

profit, but to produce the minimum necessary for a given income level. Higher prices allowed farms to obtain the desired income level with less output. The ruble's failure as effective currency thereby created the perverse result that higher prices did not encourage producers to increase supply.

Another harmful consequence of the weak ruble is that barter is slowing the move toward local privatization and economic decentralization. In the food deficit region of Ivanovo oblast* (province), for example, local authorities are concerned with obtaining essential foodstuffs from other provinces. Officials use textiles—the major surplus product of the region—to barter throughout the former union for food, and then manage the local distribution of the foodstuffs obtained. Tight control is necessary over the goods to be bartered and acquired. Ideas for privatization and creation of a local market economy under such conditions are speculative luxuries.

On the Road to Recovery?

Two policy moves appear necessary to restore the ruble as an effective currency. The first is to prevent further inflationary pressure by balancing budgets, since deficit spending financed mainly through money creation adds to the population's surplus purchasing power. After curbing excess consumer purchasing power, the second step is to "mop up" the stock of surplus rubles. One official advised collecting and destroying half the rubles now in circulation. But a more direct way would be to free prices and let them rise to market-clearing levels.

The radical reform program of the Russian Republic, announced in late October by President Yeltsin, incorporates both of these steps. Although the government has not been specific on details, it has pledged to eliminate budget deficits in the near future. On January 2, 1992, price liberalization was implemented.

*As yet, prices for food and most other consumer goods have multiplied, though whether they are genuinely free is not yet clear. The Russian government is at least publicly committed to moving toward market-determined prices. The first

Severe Food Shortages Are Likely In Some Areas



major test of economic reform will be the ability to sustain price liberalization in the face of inevitable social opposition.

The Food Outlook For 1992

Aside from problems that stemmed from inflationary policies in the former Soviet Union, what are the prospects for adequate food availability in the republics in 1992?

In three republics—Russia, Ukraine, and Lithuania—local observers are not anticipating food shortages extreme enough to cause widespread hunger or starvation. As of the end of 1991, all areas had adequate supplies of bread, with state stores continuing to satisfy demand. In Moscow, bread was in daily supply at state food stores, though other major foodstuffs often were not. In a December newspaper article, the chairman of the Russian Committee on Grain Products stated that the republic had grain supplies for more than 5 months.

Government bodies in these three republics distribute grain internally, replacing the All-Union fund that formerly had responsibility for distribution. Although these agencies are having increasing difficulty purchasing grain from farmers,

they appear committed to maintaining adequate supplies at least of food grain throughout their republics.

Supplies of other major foods such as meat, dairy products, and vegetables appear adequate to meet minimum nutritional requirements on a per capita basis, if all the available output were evenly distributed throughout the former union. In addition to food grain, the Russian republic will be distributing some meat and milk products through central channels. The available supply of these livestock products for redistribution, though, will not be large. Deliveries of these foods to many regions are becoming increasingly irregular, and certain regions could experience shortages in 1992.

The chances that a region might suffer a shortage of food products will increase to the extent it faces the following conditions.

- The region is not self-sufficient in the product;
- The region does not produce a major commodity, whether agricultural or industrial, of immediate high demand that can be bartered for deficit agricultural goods;

World Agriculture & Trade

Farm Finance

- The region is not favored by existing central republic authorities that have discretion to distribute food on the basis of need.

The regions most likely to face shortages are urban industrial areas in the north of the Russian republic, such as in the Urals and Upper Volga. The smaller a city, the less priority it will have in receiving allocations from central republic supplies, and some could be seriously deprived.

Because of the large concentration of government offices and defense industries in Moscow and St. Petersburg, these two cities fit the first two conditions that signal shortages. Yet, possibly for the same reasons, indications are that republic authorities will continue to give them priority in allocation, as did All-Union authorities previously. [William Liefert (202) 219-0625] **AO**

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Farm Lenders In Stronger Position

The financial condition of agricultural lenders continued to improve in 1991, and additional gains are expected in 1992. All of the four major institutional farm lender categories—commercial banks, Farm Credit System (FCS), Farmers Home Administration (FmHA), and life insurance companies—face unique challenges, but are in stronger positions than during the mid-1980's.

Most borrowers remain cautious about taking on new debt for expansion. Farm sector debt per dollar of net cash income is now at the lowest level since the mid-1960's. With moderate loan demand and improved loan portfolios, agricultural lenders are focusing competitive efforts on maintaining or increasing market share.

Farm Debt To Increase

Farm debt is expected to increase 1 to 2 percent in 1992. This will be the second annual increase after 6 successive years of debt retirement. Total loan volume for

commercial banks, life insurance companies, and FmHA expanded during the previous year. Commercial banks increased real estate lending by 5.6 percent in 1991, marking the 10th consecutive year of gains for this category. Some of the advance is due to regulators' more stringent loan collateral requirements and an increased use of revolving lines of credit backed by real estate.

Farm real estate debt should expand slightly in 1992, reflecting moderate demand for mortgage loans. U.S. farmland values increased 2 percent in 1990, rose an estimated 1 to 3 percent in 1991, and are expected to increase by as much as 2 percent in 1992. While this would mark the sixth consecutive annual increase in farmland values, the rate of increase has trailed the inflation rate during the past 3 years.

Overall strengthening of land values has lessened lenders' earlier concerns about the erosion of collateral value. In addition, there now may be heightened interest in real estate as an investment to diversify portfolios.

Demand for nonreal estate loans should remain moderate, with nonreal estate debt outstanding expected to increase slightly in 1992. Farm capital expenditures fell nearly 60 percent during 1980-86 but recovered gradually from 1987 to 1991. Unit sales of machinery in 1992 are currently projected to be similar to 1991 levels.

Factors favoring borrowing in 1992 include lower interest rates, strong crop cash receipts, and a farm sector debt-asset ratio remaining near 1990-91 levels. But these positive factors must be balanced against expected declines in net farm income, modest price rises for purchased inputs, and continuing adverse weather in some areas.

Ample Lending Capacity & Credit Access

While agricultural credit demand was modest in 1991, all lender categories report that lending capacity remains high. Agricultural commercial banks continue

to have ample capacity, indicated by low loan-to-deposit ratios.

Creditworthy farmers should have ample access to loans in 1992, mostly from commercial banks and the FCS, the largest credit suppliers. Banks' low loan-to-deposit ratios indicate there is liquidity available to meet increased credit needs. The outlook for 1992 indicates that competition among lenders for high-quality farm loans will remain keen.

The FCS is offering farm customers lower interest rates and favorable credit arrangements in an effort to expand market share. But 1986 legislation prohibits the FCS from underpricing its loans, so the FCS follows rather than leads trends. Life insurance companies vary in their lending policies, ranging from inactivity by some to aggressive lending by others. Life insurance company lending is expected to increase in 1992. The active companies are pursuing new quality farm mortgages in a wide range of situations and regions.

Farm lenders (except FmHA) have largely recovered from the problems of the early and mid-1980's and are prepared to serve the financial needs of cred-

itworthy farmers. Producers have been cautious in acquiring new debt, while lenders are scrutinizing the creditworthiness of borrowers. Borrowers will need to demonstrate adequate cash flow, and commercial banks will watch collateral requirements with an eye toward the now more stringent regulators. Some marginal farm operators will face credit access problems. But farmers who are good credit risks will have no difficulty in acquiring credit in 1992.

Lenders Strengthen Position

The position of agricultural lenders in 1991 reflected the overall improvement in the financial condition of farmers in recent years. Except for the FmHA, all major institutional lender groups continue to experience lower delinquencies, fewer foreclosures, declining net loan chargeoffs, and far less loan restructuring than in the mid-1980's. Although improvement continues, the pace of working down delinquencies has slowed. As financial stress declines, financial indicators approach more normal historical levels.

The financial health of the FCS and commercial agricultural banks continues to improve. FCS net income through the third quarter of 1991 was \$624 million, up 37.1 percent over the corresponding period in 1990. This strong increase reflects record margins between interest earned and interest paid. In contrast to earlier years, lenders made better provisions for future loan losses. Together these factors indicate greatly improved earnings quality for the system.

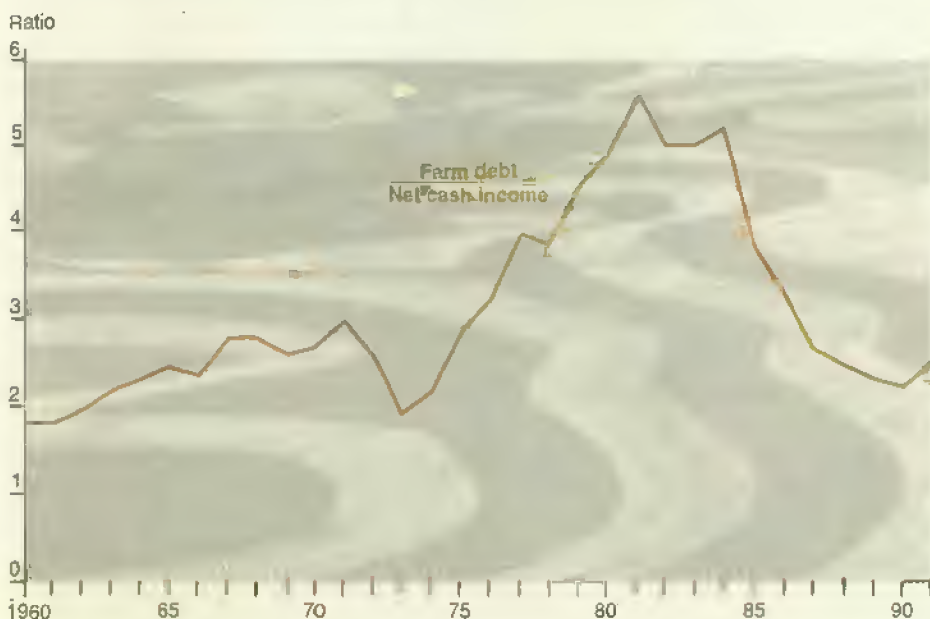
Agricultural banks reported higher average returns on equity and assets in 1991, and very low rates of net loan chargeoffs. Moreover, agricultural bank loan loss provisions were lower in 1991 than in recent years, reflecting an expectation of lower future loss rates. The performance of agricultural banks continues to approach conditions before farm financial problems emerged in the early 1980's.

FmHA continues aggressively to liquidate its backlog of delinquent direct loans. By mid-1991, delinquent loans amounted to \$5.8 billion, down \$1 billion from the previous year. The rate of loan restructuring declined in fiscal 1991 as FmHA prepared new regulations for restructuring in response to the 1990 farm act. FmHA has been unable to service new restructuring applicants since passage of the act.

However, approved loan writedowns and writeoffs amounted to \$2.9 billion through September 1991. The long process of resolving this backlog of debt, most of which was extended under emergency programs, will continue to be costly.

Lenders report strong competition for high-quality farm loans. Loan-to-deposit ratios inched up to 56.3 percent for agricultural banks in the year ending June 30, 1991 from the record-low 53.4 percent in 1987. But surveys of bankers indicate the ratios remain below desired levels. The current rate remains well below the high of 68.2 percent reached in September 1968.

Farmers Shed Debt in Response to Financial Crisis of the Eighties



Farm Finance

U.S. Economy

Farm Interest Rates Decline

Interest rates on new farm loans declined slightly in 1991 among the major agricultural lenders, with an overall decrease of some 100 basis points. Considerable differences in local agricultural credit market competition, and the broad range of available loan products, however, resulted in wide variation in interest rates for farm loans. The average interest rate on all outstanding farm debt declined from 10.96 percent in 1982 to an estimated 9.7 percent in 1991.

The rate is forecast to drop 20-30 basis points in 1992. In addition, total farm sector interest expenses are forecast to be slightly lower in 1992.

Financial vulnerability of farmers and farm lenders subsided during the 1987-90 period, and remaining imbalances are far less severe than during the early 1980's. Farmers used the higher returns earned in the late 1980's to reduce debt and make other adjustments, such as lowering production costs, leaving them in a much stronger position to endure transitory periods of lower income.

The farm price declines of 1991 should be viewed in this context, and in the long-run, farm prosperity will be affected more by income trends than by other factors. Lower prices in 1991 may have created hardship for some farmers, particularly those in areas experiencing adverse weather conditions.

But widespread problems such as those of the 1981-86 period would not occur unless there were an extended period of weak income. This possibility is mitigated by the farm sector's improved balance sheet, reduced inventories, continued cost reduction strategies, and prudent production practices. [Jerome M. Stam and George B. Wallace (202) 219-0892]

AO



International Council of Shopping Centers

Recovery Slow Again In 1992

Following some revival in the spring of 1991, improvement in the economy largely halted in the second half of the year. Industrial production showed no growth in the second half, and by the end of the year, the unemployment rate reached its highest level for the current slowdown. Continued sluggishness kept a lid on inflationary pressures, however, allowing the Federal Reserve to push short-term interest rates to their lowest in more than two decades.

Most analysts expect the economy to recover in 1992, with production, employment, and income improving more in the second half than in the first. Inflation is likely to remain below 3.5 percent, and the recovering economy will put upward pressure on interest rates, especially short-term rates.

Overall Demand Falls In 1991

Inflation-adjusted gross domestic product (GDP) was about 0.7 percent lower in 1991 than 1990, due in large part to sharp declines in early 1991. On an an-

nual basis, consumer spending, the largest component of overall demand, fell for the first time since 1980. Very slow growth in real income accounted for much of the weakness in consumer spending. In the second half, income rose at about 0.25 percent at an annual rate. By contrast, real income growth averaged about 2.7 percent a year in the 2 years preceding the recession.

Other factors also helped reduce consumer spending. Uneasiness about the general economy may have led many consumers to postpone spending plans, especially for durable goods purchases, which fell 6 percent in 1991. Consumer confidence declined continuously through the second half of the year, and by yearend reached its lowest level in more than a decade.

Other components of demand also contributed to the overall 1991 decline. Business investment spending fell 6.6 percent in 1991. Residential building dropped more than 10 percent, the fifth year of decline, and housing starts were the lowest since 1945. Government purchases rose less than 1 percent. Purchases by states and localities, after averaging more than 3-percent growth from 1988 through 1990, grew only 0.7 percent in 1991, as the recession slashed tax revenues.

Foreign trade was a bright spot for the U.S. in 1991. Real exports of goods and services rose 6.7 percent, with merchandise exports up 7.8 percent. Weak demand in the U.S. caused imports to remain at their 1990 levels in inflation-adjusted terms. As a result, the real net trade deficit fell to the lowest level since 1982.

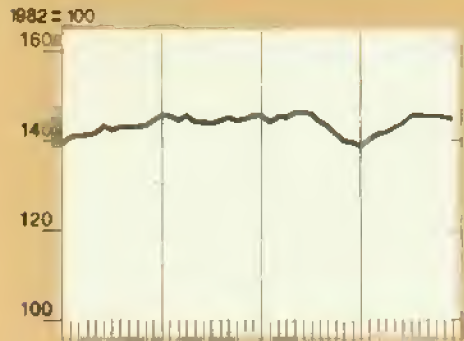
Employment Remains Flat

After rising during the first 6 months of 1991, the unemployment rate remained near 7 percent in the second half. For the entire year, the unemployment rate climbed about 1 percentage point. Unemployment rose more quickly in urban than in rural areas. As a result, the rural unemployment rate, which has exceeded the urban rate for over 10 years, actually matched the urban rate in the fourth quarter of 1991.

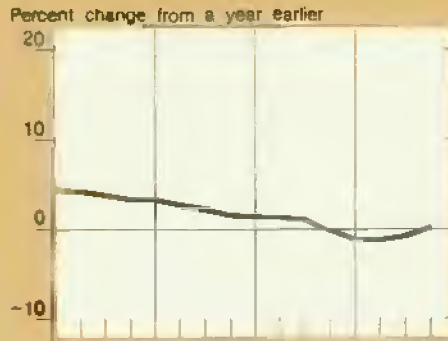
General Economic Indicators

U.S. Economy

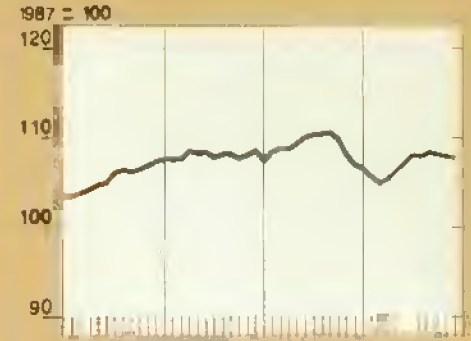
Composite leading economic indicators



Gross domestic product (1987\$)



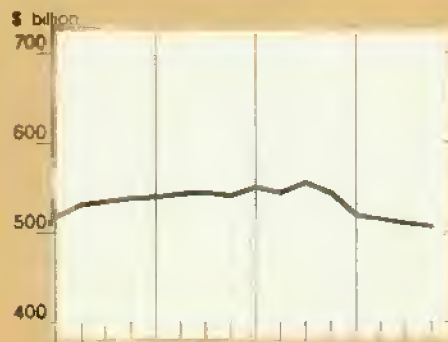
Industrial production



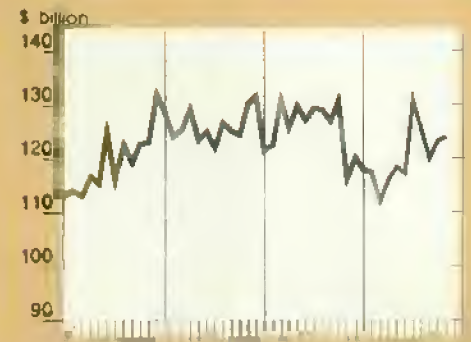
Disposable income and consumption expenditures¹



Nonresidential fixed investment¹



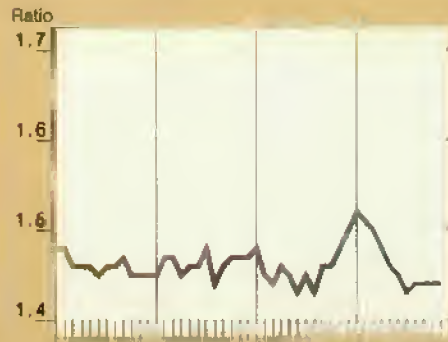
Manufacturers' durable goods orders²



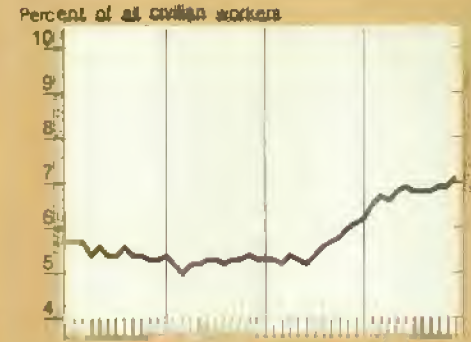
Consumer price index



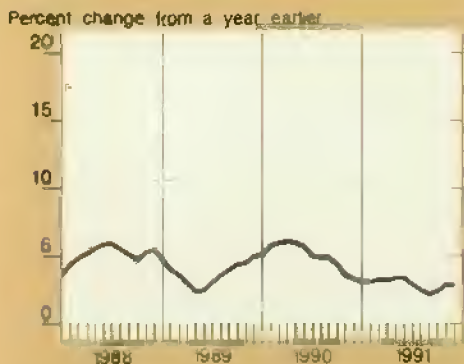
Inventory/sales³



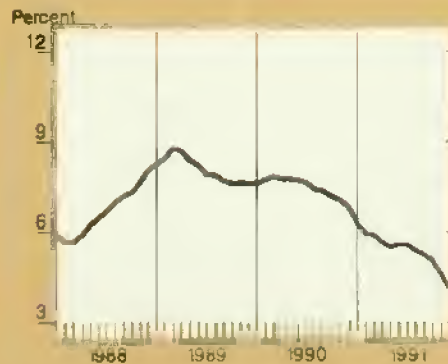
Unemployment rate⁴



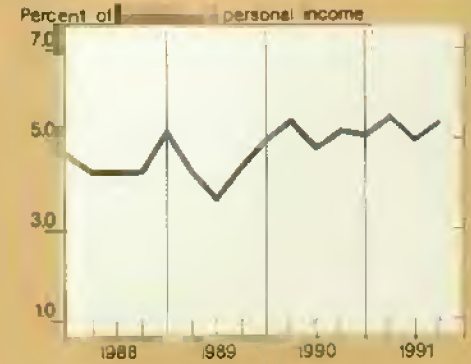
Money supply (M2)



3-month Treasury bill rate



Savings rate⁵



¹Billions of 1987 dollars, seasonally adjusted at annual rates. ²Nominal dollars. ³Manufacturing and trade, seasonally adjusted, based on 1982 dollar.

⁴Seasonally adjusted. ⁵Calculated from disposition of personal income in 1987 dollars, seasonally adjusted at annual rates.

Sources: U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.

U.S. Economy

Some states were hit harder than others. Of 11 states for which full-year data are available, Illinois reported the largest annual increase in unemployment—more than 3 percentage points, reaching 9.3 percent in December 1991. Unemployment in New York rose 2.6 percentage points, and in Michigan the unemployment rate increased about 1.8 percentage points, reflecting significant excess capacity in the auto industry. Florida's unemployment rate also rose nearly 2 percentage points during the year, while California's rate rose slightly less than for the rest of the nation.

Jobs in some industries increased during 1991, although the number of jobs in most industries declined. Manufacturing jobs, which have fallen for 2 straight years, dropped by 684,000, and construction lost 440,000 jobs. The number of Federal government jobs declined by 120,000. In contrast, business and health services jobs rose by 615,000.

Inflation in Check

Inflation cooled in 1991 as energy prices retreated and the recession reduced demand. Consumer price inflation was 3.1 percent during 1991, about half of 1990's rate and the smallest increase since 1986. Consumer energy prices dropped 7.4 percent during the year. Food price increases were especially modest, at 1.9 percent registering the smallest annual advance since 1976. The core inflation rate, measured by consumer prices excluding food and energy, also fell in 1991. The core rate was 4.4 percent during the year, down from 5.2 percent during 1990.

Industrial prices were weak in 1991. During the year, producer prices for finished goods edged down 0.1 percent, after rising 5.7 percent during 1990. Price increases at earlier production stages also slowed substantially. Declining crude oil prices depressed overall crude goods prices, but even excluding energy and food, crude goods prices fell 8 percent during 1991. These declines suggest little inflationary pressure from demand in the near term.

Interest Rates Slide, Money Growth Stalls

With inflation under control and the economy sluggish, the Federal Reserve aggressively moved to reduce interest rates during 1991, especially in the second half of the year. The Federal funds rate—the rate banks charge each other for overnight lending—was cut by about half during the year, ending at the lowest level in nearly 20 years. Bank prime lending rates followed the Federal funds rate slowly, ending the year at 6.5 percent.

The sharp drop in short-term rates was not matched by an equal drop in longer-term rates. In general, longer term rates reflect assessments of real growth and inflation prospects over an extended period of time. The widening spread between short- and long-term rates may have reflected the expectation that the recession would be relatively short and mild and only temporarily reduce inflation. Despite only partially matching short-term interest rate declines, by the end of the year long-term rates had fallen to the levels of the late 1970's.

Although interest rates fell substantially during the year, growth in the money supply was lackluster. In the second half of 1991, M2—the money supply measure most closely watched by the Federal Reserve—grew at an annual rate of about 1.5 percent. This is well below the Fed's target range of 2.5 to 6.5 percent, and in sharp contrast to the 5.5-percent average growth in 1988-89. Because of the relatively close historical association of money supply growth with nominal GDP growth, most analysts believe that the current slow money growth leaves little room for the economy to expand in 1992.

Most forecasters are predicting recovery in 1992, with moderate job gains, and declines in the unemployment rate. Real GDP growth forecasts for 1992 tend to fall in the range of 1.5 to 2.5 percent. The Administration projects a rise of 2.2 percent in 1992 if the President's budget proposals are enacted, but only a 1.6-percent rise in their absence. The Congressional Budget Office (CBO) forecasts 1.6-percent growth for 1992.

Meanwhile, analysts continue to be confident that inflation will remain moderate, staying well below 3.5 percent for consumer prices in 1992. Most forecasts call for interest rates to rise from their current lows as real growth picks up and credit demand increases. The Administration expects 3-month Treasury bill rates to average 4.1 percent in 1992, while CBO projects 4.4 percent. In January the 3-month Treasury bill rate was 3.8 percent.

Weak Economy Adds to Deficit

In late January the President introduced his budget proposals for 1993 through 1997. For fiscal 1993, which begins in October 1992, Federal outlays are projected to be just over \$1.5 trillion, while revenues are projected to be slightly over \$1.15 trillion, leaving a \$352-billion deficit.

For the current fiscal year the deficit is expected to be about \$400 billion, well above 1991's \$269 billion. If the 1992 and 1993 expected deficits materialize, they will be the largest two Federal deficits on record.

Several unusual factors will combine to push up the deficit in 1992 and 1993. Deposit insurance outlays, which include the costs of acquiring failed financial institutions and paying off depositors, are expected to amount to about \$80 billion in 1992 and \$76 billion in 1993. Beginning in 1994, the revenue from selling off the acquired assets is expected to exceed deposit insurance costs. Thus, deposit insurance transactions are expected to lower the deficit beginning in 1994.

In addition to the unusual deposit insurance outlays, the lingering recession has also caused the deficit to rise. For example, as the unemployment rate rises, unemployment insurance outlays rise. At the same time, falling corporate profits and weak consumer income growth reduce revenue. According to Administration estimates, these business cycle impacts on the deficit may account for more than \$50 billion in both 1992 and 1993.

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Adjusting the deficit to exclude deposit insurance and business cycle components provides a clearer base on which to analyze the short-term impact of fiscal policy on the economy. In general, increases in the adjusted deficit can stimulate increases in production and employment, especially if the economy is not operating near capacity. When the economy is operating close to capacity, increases in the adjusted deficit tend to generate higher interest rates and inflation.

Although the adjusted deficit is expected to rise in 1992, it is projected to decline in 1993 and remain relatively flat thereafter. Given the current sluggish economy, this pattern suggests that fiscal policy is aimed at stimulating growth in the short run but will not lead to excessive expansion.

The expected macroeconomic outlook for 1992 should be mildly beneficial to agriculture. A moderate rebound in real economic growth and consumer income would boost demand for agricultural commodities. At the same time, relatively low rates of overall inflation would help keep wages and manufactured product prices in check. Although short-term interest rates appear likely to rise somewhat, for the year they should be lower than in 1991, holding down interest expenses. [Jennifer L. Beattie and R. M. Monaco (202) 219-0782] AO

Upcoming Reports from USDA's Economic Research Service

The following are March release dates for summaries of the ERS reports listed. Summaries are issued at 3 p.m. Eastern time.

March

- 10 Food Review
- 11 World Agricultural Supply & Demand
- 13 Sugar & Sweetener
- 18 Fruit & Tree Nuts
- 19 Agricultural Outlook
- 25 Aquaculture

Rural Development



Shifts in Farm-Related Employment

From 1975 to 1988, the U.S. economy added 36 million jobs, boosting the number of employed from 92.5 million persons to nearly 129 million. Farm and farm-related industries—those directly or indirectly linked to agriculture—shared in the employment increase, gaining nearly 5 million jobs to 23 million over the 1975-88 period. This gain, however, was due almost entirely to employment growth in peripherally related industries, notably wholesale and retail trade. Farming and the industries most closely related to farming lost jobs.

What Are the Farm-Related Industries?

Five groups make up the industries identified as farm and farm-related: 1) farm production and agricultural services, 2) agricultural inputs 3) processing and marketing of agricultural products, 4) wholesale and retail trade of agricultural goods, and 5) indirect agribusiness. Both wage and salaried workers and the self-employed are included; the terms "employment" and "jobs" are used interchangeably.

Farm production workers include farm proprietors and farm wage and salary workers. *Agricultural service industries* include firms that provide soil preparation, veterinary care, farm management, landscaping, and horticultural services, as well as forestry firms and fisheries.

Agricultural input industries have the most direct linkage to farming among the related industries. Most of the agricultural input jobs are in manufacturing of farm machinery and equipment and in wholesale trade of farm machinery, equipment, and supplies. Other input industries are agricultural chemical manufacturing and chemical and fertilizer mining.

Processing and marketing industries prepare agricultural goods for sale after the products leave the farm. Apparel and textile manufacturing provide most of the processing and marketing jobs. Manufacturers of meat, dairy, and other food products are also included in this industry group.

Wholesale and retail trade industries are only peripherally related to farming. They include establishments that sell clothing, groceries, alcoholic beverages, prepared foods, and tobacco. The farm-related wholesale and retail category comprises 46.5 percent of all wholesale and retail trade.

Indirect agribusinesses have relatively remote connections to agriculture. Examples of businesses in this category are farm machinery repair shops and manufacturers of food products machinery:

Within these five groups, wholesale and retail trade of agricultural products comprised the largest share of farm and farm-related employment—55 percent in 1988, up from 42 percent in 1975. Agricultural input industries accounted for the smallest share, declining from 3 percent of all farm-related employment in 1975 to less than 2 percent by 1988.

Farm production and agricultural services accounted for 24 percent of all persons employed in farm and farm-related industries in 1975, but by 1988 the share had fallen to 18 percent. Processing and marketing industries employed 20

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percent of all persons engaged in farm-related industries in 1975, declining to 14 percent by 1988. Indirect agribusinesses maintained their share, slightly above 11 percent.

Where the Jobs Are

The importance of farm-related employment varies among states, both as a share of total employment within the states, and as a share of farm-related employment nationally. For example, California ranks first in the nation in size of the farm and farm-related workforce, with more than 2 million jobs, but these jobs account for only 16.2 percent of the state's total employment. Iowa, on the other hand, has only 423,000 farm and farm-related jobs, but this is nearly 28 percent of total employment in the state—the largest share of any state.

Distribution of farm-related employment among industries also varies among states. For example, 60 percent of California's farm-related jobs are in wholesale and retail trade of agricultural products, while Iowa has 35.5 percent of its farm-related jobs in farming and agricultural services. Among all states, North and South Dakota have the largest share of their farm-related employment in farming and agricultural services, 46.8 and 45.2 percent. North Carolina's proportion of farm-related jobs in processing and marketing of agricultural products—36.4 percent—is the highest of any state.

Jobs Shift from Farms To Services

Employment changes during 1975-88 were unevenly distributed among states as well as among the five industry categories. More than 5.9 million new jobs were added—in agricultural services, farm-related wholesale and retail trade, and indirect agribusinesses. But during the same period, over 1.1 million jobs were lost—in farm production, inputs, and processing and marketing.

Nationwide, farming and agricultural service industries lost approximately 250,000 jobs from 1975 to 1988. Farm consolidation following the financial stress of the early 1980's accounted for

some of the loss. In 1975, nearly 5 percent of U.S. employment was in farming and agricultural services. By 1988, this share had dropped to 3.2 percent.

But all of the loss was in farm production jobs, where advances in labor-saving technology reduced the number of workers needed to produce a given level of goods. In contrast, employment in agricultural services more than doubled over the period. For example, North Carolina lost 62,000 farm jobs from 1975 to 1988—the most of any state—but gained approximately 15,000 agricultural service jobs.

Other states with large declines in farm jobs, including South Carolina, Mississippi, Indiana, and Illinois, more than doubled the number of agricultural service jobs. On balance, however, the losses exceeded the gains, leaving these states with net farm and agricultural services employment down between 14 and 32 percent over the period.

Agricultural input industries lost 132,000 jobs, a decline of almost 24 percent from 1975 to 1988. Much of this decline is attributable to a slowdown in chemical and fertilizer mining and agricultural chemical manufacturing. Acreage reduction programs, coupled with declining export

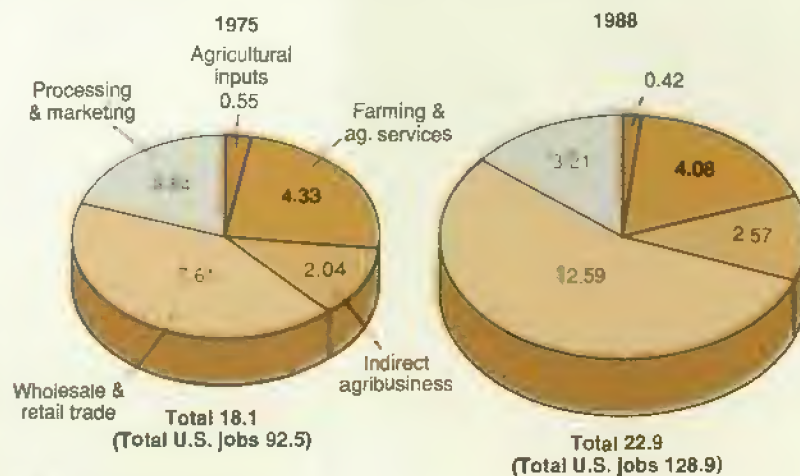
demand for U.S. agricultural commodities in the early 1980's, reduced demand for agricultural fertilizers.

Farm financial stress contributed to weaknesses in manufacturing of farm machinery and equipment, and wholesale trade of farm machinery, equipment, and supplies. From 1975 to 1986, almost 785,000 jobs were lost in farm machinery and equipment manufacturing, and another 5,000 in wholesale trade of farm machinery, equipment, and supplies. However, employment began to increase in 1986 and 1987 as farm income rose and capital expenditures increased.

Among states, Iowa experienced the largest loss of agricultural input jobs. Manufacturing of farm machinery and equipment and wholesale trade of farm machinery, equipment, and supplies, which had a combined loss of 22,000 jobs, accounted for most of the state's farm-related employment decline from 1975 to 1988. Illinois and Kentucky, which also lost a large number of input jobs, saw employment losses in manufacturing of farm machinery.

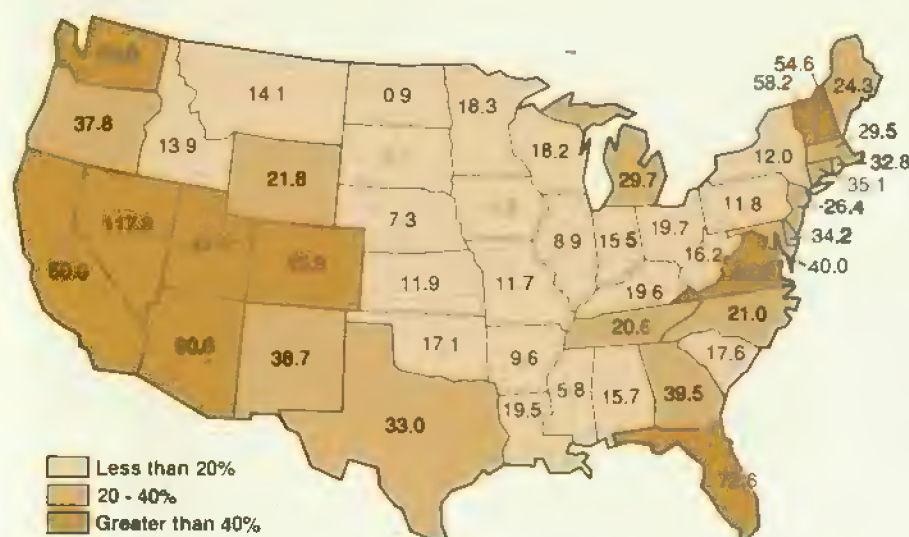
But not all states lost employment in agricultural input industries. West Virginia and Nevada gained jobs, principally in agricultural chemicals manufacturing.

Largest Farm-Related Job Gains Were In Wholesale, Retail Trade



Employment in millions of jobs.

Farm and Farm-Related Job Increases Were Concentrated In West and Southwest



Percentage change, 1975-88.

although input industries remained less than 1 percent of each state's total employment.

Processing, Marketing See Biggest Job Losses

Industries engaged in processing and marketing of agricultural products lost more jobs than any other farm or farm-related sector from 1975 to 1988. The decline varied among products, with leather, tobacco, fats and oils, and beverage manufacturers losing the largest percentage share.

Although employment in canned, frozen, and preserved fruit and vegetable processing declined from 1975 to 1988, the industry had cyclical job growth during the period. Employment steadily increased in the late 1970's, but then sluggish consumer demand for canned foods, in conjunction with industry automation, reduced employment from 1980 to 1983.

A rebound occurred in 1984, coinciding with increased demand for canned specialties, sauces and dressings, and dried/dehydrated fruits and vegetables. The industry continued to expand until 1987, but between 1987 and 1988 lost

nearly 19,000 jobs, mostly in frozen specialties.

Two processing and marketing industries had more jobs in 1988 than 1975. Employment grew 23 percent in meat products manufacturing, and 18 percent in miscellaneous foods preparation and kindred products manufacturing. Among states that saw large increases in processing and marketing jobs, many have employment concentrated in meat product processing, particularly poultry. North Carolina, Mississippi, Alabama, Arkansas, and Georgia, with large shares of total employment in meat products manufacturing, all experienced employment increases in the category of processing and marketing of agricultural products from 1975 to 1988.

Expansion Greatest in Wholesale, Retail

Wholesale and retail trade of agricultural products gained the most jobs among farm and farm-related industries from 1975 to 1988. A growing population, and increasing numbers of dual-income and single-parent families patronizing restaurants or purchasing prepared foods, contributed to the strong employment

gains in wholesale and retail trade of agricultural products.

Most states that witnessed large increases in farm-related employment had strong growth in wholesale and retail trade of agricultural products, with little employment growth in other farm and farm-related sectors. Nevada, Arizona, Florida, Vermont, Washington, New Hampshire, and California, with the largest percentage increases in overall farm-related employment, had the largest gains in farm-related wholesale and retail trade jobs.

States with sharp gains in population during 1975-88 also experienced strong growth in farm-related wholesale and retail trade employment. With the exception of Vermont, states with large employment growth in wholesale and retail trade of agricultural products had population gains ranging from 31.5 to 70 percent—over twice the national average population growth in this period.

By contrast, New York, Illinois, Iowa, South Dakota, and Montana, with only slight population growth, had the smallest percentage employment increases in farm-related wholesale and retail trade.

Job Gains Are Remote From Food Production

Based on trends from 1975 to 1988, farm-related industries as a whole offer potential for future job growth, although gains will be most evident in industries that are distant relatives to production agriculture.

Farm production jobs, which have declined over time because of technological labor-saving advances, offer the least promise for employment expansion. Input industries, with strong upstream linkages to farming, will be affected by demand for inputs from the farm production sector.

More uncertain are trends in the food processing and marketing industries. Many of these industries have automated over time, substituting capital for labor. On the other hand, increased consumer demand for some food products, especially prepared items designed for easy

Rural Development

cooking, have led to expanded employment in some food processing industries.

Farm-related wholesale and retail trade industries, with strong relationships to income and population growth, should continue to gain service jobs. But such job gains depend more on population growth and changing demographics than on developments in the farm sector per se. Indirect agribusinesses, particularly those less dependent on conditions of the farm economy, are anticipated to add jobs as the general economy grows. [Jacqueline Salsgiver and T. Alexander Majchrowicz (202) 219-0525] **AO**

2005: A Job Outlook

What will the labor market look like in 2005? Will overall employment rise more or less quickly than in the past? What will happen to rural employment? The Bureau of Labor Statistics (BLS) recently released its projections of the labor force for 1990-2005. This article combines urban-rural data with BLS national projections to arrive at implications for the labor market in rural areas.

Scenarios For Economic Growth

The BLS uses its projections to construct three alternative GNP growth-rate scenarios over 1990-2005: a low, 1.5-percent annual growth in real GNP; a moderate, 2.3-percent rate of growth; and a high, 2.9-percent rate.

All three scenarios begin by assuming the labor force will grow more slowly than over the last 15 years. While labor force growth averaged 1.9 percent a year over the last 15 years, the projected rate of growth over 1990-2005 ranges from a low of 0.9 percent annually to a high of 1.5 percent. Projected trends dampening labor force growth include slower population growth, a more rapidly aging population, and a continued slowdown in the

rate of increase in labor force participation, particularly among younger women.

Unless offset by productivity gains, slower growth of the overall labor force leads to slower economic growth. BLS economic growth rates are relatively modest: The average rate of real GNP growth in the high-growth scenario equals the rate of the last 15 years.

The moderate-growth scenario is based on several other assumptions. For example, productivity—another major determinant of GNP growth—will be unchanged from its 1975-90 average rate of growth. Further, despite an expected increase in immigration, the population under this scenario will increase at a slower rate—0.8 percent a year—down from the 1-percent annual growth from 1975 to 1990.

Finally, real Federal defense spending will decrease by 1.2 percent per year over 1990-2005, compared with an average annual real increase of 3.2 percent for 1975-90. But Federal nondefense spending will increase at a rate of 1.9 percent per year, close to the growth between 1975 and 1990.

The Economy in 2005 With Moderate Growth

The most striking changes during the 1990 and 2005 period are in the demand components of GNP. Consumer spending as a share of GNP generally grew from 1975 to 1990, peaking at 66 percent in 1986. But the BLS expects this share to level off over the next 15 years, with consumer spending projected at 64.3 percent of GNP in 2005. The earlier tendency for consumer spending to grow as a share of GNP will halt, as the aging baby boom population looks toward retirement and increases savings.

The BLS also expects shifts among the various consumer spending components. Durable goods projections include nearly flat sales of new cars, but a tendency toward larger, higher valued cars. Rapid growth is projected in furniture, clothing, and other durable goods (which include consumer electronics and sporting goods).

For consumer nondurables, which include food, cleaning products, and cosmetics, the BLS projects that spending will increase at a rate of 1.4 percent annually. But these items will constitute a smaller share of consumption, continuing the trend seen over 1975-90. Consumer services spending will increase 2.9 percent per year, a much higher rate than the projected GNP or total personal consumption growth. The rise in service spending will be primarily for medical services, but air travel and recreational spending is also expected to climb.

Among other demand components of GNP, the BLS projects private investment will grow more rapidly than overall GNP, and the Federal deficit will decline. But state and local spending will rise about as fast as real GNP. Rising school-age and college-age populations will contribute to the increase in state and local spending over 1990-2005. The U.S. foreign trade position will continue to improve and will be in surplus by 2005.

What do these projections mean for rural areas? BLS projections do not specifically address rural/urban issues. But the current industrial and occupational mix of rural employment provides some clues on how rural economies might be affected by national labor force and employment trends.

Service Jobs Will Grow Fastest

Under the moderate scenario, employment is projected to decline during 1990-2005 in three major industries—agriculture, mining, and manufacturing. The range of employment growth in the three GNP growth scenarios is -9.4 (low growth) to -2.9 percent (high growth) for agriculture, -15.9 to -3 percent for mining, and -12.5 to 0.4 percent for manufacturing.

Although a 6-percent decline in employment is projected in the moderate-growth scenario for the agriculture industry overall, jobs in agricultural services are projected to increase by one-third. Employment is projected to decrease in the mining sector, due partly to the use of labor-saving machinery in coal production.

While Agricultural Employment Is Projected Down...

Industry	1989 employment distribution		Projected job growth, 1990-2005*
	Rural	Urban	
	Percent		
Agriculture	9.3	1.9	-6.0
Mining	1.6	0.5	-6.0
Construction	5.3	5.3	18.0
Manufacturing	17.5	14.0	-3.1
Transportation, communications, utilities	4.1	4.8	14.8
Wholesale trade	3.3	5.3	16.2
Retail trade	16.4	16.6	26.0
Finance, insurance, and real estate	4.9	8.2	20.8
Services	20.9	28.5	41.6
Government	16.7	14.9	17.4
Total	100.0	100.0	20.1

...An Increase Is Projected In Some Agriculture-Related Occupations

Occupational group	1990 employment distribution		Projected job growth, 1990-2005*
	Rural	Urban	
	Percent		
Executive, administrative, and managerial	8.7	13.4	27.4
Professional specialty	10.6	14.2	32.3
Technicians and related support	2.5	3.5	36.9
Marketing and sales	10.3	12.6	24.1
Administrative support occupations, including clerical	12.6	16.7	13.1
Service occupations	14.4	13.2	29.2
Agricultural, forestry, fishing, and related occupations	7.3	1.7	4.5
Precision production, craft, and repair	13.1	11.1	12.6
Operators, fabricators, and laborers	20.5	13.6	4.2
Total	100.0	100.0	20.1

*Moderate-growth scenario

Source: Data from Bureau of the Census, Current Population Survey; Bureau of Labor Statistics projections from *Monthly Labor Review*, November 1991.

In addition, mining is dominated by the petroleum industry, and a decline is expected in domestic oil production.

While agriculture and mining experienced declines in employment during 1975-90, about 5 percent each, the number of manufacturing jobs rose slightly. Employment in manufacturing is projected to decline over the period 1990-

2005 despite the industry's advances in real output, given the continued productivity increases in the manufacturing sector. Rural areas had a larger share of workers than urban in all three of these industries according to 1989 data, the most current available.

Employment in some industries is expected to grow faster than the general

economy in the moderate-growth scenario. For these industries—retail trade, finance, and services—rural areas had either a smaller share or about the same share of workers as urban in 1989. Services, which are expected to grow the most, with a projected growth range of 31.3 percent (low growth) to 49 percent (high growth), also had the largest employment gains from 1975 to 1990—102.4 percent.

Services encompass a wide variety of businesses, including personal services such as hairdressing and shoe repair; business services, notably advertising and data processing; automobile repair; and legal services. Among the service industries, health services is expected to be one of the fastest growing sectors, with employment growth of almost 50 percent.

Despite employment declines in some industries, national employment is projected to increase by 20 percent from 1990 to 2005, and all the major occupational groups are expected to see rising employment under the moderate-growth scenario. In comparison, total employment increased 39.8 percent from 1975 to 1990. BLS projects that the fastest growing occupational groups will be those that require relatively higher levels of education or training.

Three groups in particular are expected to grow rapidly: executive, administrative, and managerial workers; professional specialty workers; and technicians and related support. Rural areas have proportionately fewer of these workers than urban. At the same time, rural areas have a larger share of workers employed in agriculture, forestry, and fishing, and in the precision production, craft, and repair occupations. These groups are expected to grow much less rapidly than overall employment.

How can projected employment in the agriculture industry be declining while projected employment in the agriculture occupational group is increasing? The agriculture occupation group includes a wide variety of agriculturally-related employment—not just farm operators and farm labor. BLS sees a decline in farming occupations and an increase in non-farm agricultural services, such as

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Job Market Pluses & Minuses

In a moderately growing economy, the 10 occupations with the largest projected numerical job increases over the period 1990-2005 are:

- Salespersons, retail
- Registered nurses
- Cashiers
- General office clerks
- Truckdrivers, light and heavy
- General managers, top executives
- Janitors and cleaners, including maids and housekeeping cleaners
- Nursing aides, orderlies, attendants
- Food counter, fountain, and related workers
- Waiters and waitresses

Retail trade accounts for 4 of the 10 job groups: salespersons (887,000 additional jobs projected), cashiers (685,000 jobs), food counter and fountain workers (550,000), and waiters and waitresses (449,000).

The 10 occupations with the largest projected numerical job declines over 1990-2005 are:

- Farmers
- Farm workers
- Bookkeeping, accounting, and auditing clerks
- Child care workers, private household
- Sewing machine operators, garment
- Electrical and electronic assemblers
- Typists, word processors
- Cleaners, servants, private household
- Electrical and electronic equipment assemblers, precision
- Textile draw-out and winding machine operators and tenders

The number of farmers is projected to decline by 224,000, all self-employed. Manufacturing accounts for 4 of the 10 shrinking occupational groups. The BLS assumes that increased automation will reduce employment in three of those: electrical and electronic assemblers (105,000 fewer jobs); electrical and electronic equipment assemblers, precision (81,000), and textile draw-out and winding machine operators (61,000).

Source: Bureau of Labor Statistics.

gardeners and groundskeepers who may be employed in other industries.

Prospects for Rural Occupation Growth

Although rural areas are well represented in the largest growth occupations, they have twice the share of occupations projected to decrease most in employment. The 10 occupations expected to have the largest job growth constitute about 20 percent of the labor force in

both rural and urban areas. The 10 occupations projected to have the largest declines, however, make up about 11 percent of the rural labor force and only 5 percent of the urban work force.

Among the occupations with the largest projected declines are farmers and farm workers. Even under the high GNP growth scenario, these occupations show projected declines. The occupation of

farmer is expected to see the largest decline of all the occupations, decreasing 21 percent by 2005 under the moderate-growth scenario.

Over the last 15 years, employment in rural areas has decreased as a share of total U.S. employment. Although a large proportion of rural employment is now in occupations expected to have high rates of growth over the next 15 years, employment in industries and occupational groups with projected declines or slow growth are concentrated in rural areas. Assuming that industry and occupation structure remains about the same over the next 15 years, rural employment will continue to be a shrinking share of the national labor force. [Karen S. Hamrick (202) 219-0782] **AO**

March Releases from USDA's Agricultural Statistics Board

The following reports are issued at 3 p.m. Eastern time on the dates shown.

March

- 3 Egg Products
- 5 Dairy Products
Poultry Slaughter
- 6 Celery (1 p.m. report)
Vegetables
- 11 Crop Production
- 12 Turkey Hatchery
- 13 Farm Labor
Livestock Slaughter - Annual
Potato Stocks
- 16 Milk Production
- 18 Agricultural Chemical Usage
- 20 Cattle on Feed
Cold Storage
Livestock Slaughter
- 23 Catfish
Cotton Ginnings
Eggs, Chickens & Turkeys
- 24 Vegetables
- 26 Hop Stocks
- 27 Hogs & Pigs
Peanut Stocks & Processing
- 30 Agricultural Prices
Wool & Mohair
- 31 Grain Stocks
Prospective Plantings
Rice Stocks



SARH, Mexico

Agricultural Trade-- Big Business for U.S. & Mexico

International trade reflects complementary relationships between trade partners that make commerce mutually beneficial. U.S.-Mexico agricultural trade is no exception. The pattern of agricultural trade reflects production advantages in both countries arising, for example, from differences in costs or resources. The composition of trade is also a product of complementary growing seasons, cultural preferences, even differences arising from weather.

Trade between the U.S. and Mexico has been growing and becoming more important to both countries. The trade is enhanced by the proximity of Mexico and the U.S. and is affected by the economic policies of both countries.

In a five-part series, *Agricultural Outlook* examines U.S.-Mexico relations. Part I provided a general overview of the history and current state of economic relations. In this issue, part II takes a closer look at trade and agricultural relations between the two countries. Parts III through V will look at labor and investment, environmental issues, and the pending North American Free Trade Agreement (NAFTA).

Differences Shape Trade Patterns

Over the past two to three decades, trade between the U.S. and Mexico has been growing and becoming more important to both countries. With its population and economy expanding over the past few decades, Mexico has become the third-largest trading partner of the U.S., after Canada and Japan. Mexico purchases more than two-thirds of its imports from the U.S. Total bilateral trade between the U.S. and Mexico reached \$59 billion in 1990. U.S. exports to Mexico in 1990 were \$29 billion, while imports from Mexico totaled \$30 billion.

Mexico is the world's 12th-largest country in area, slightly less than three times the size of Texas. Its economy is a mix of state-owned industry (mainly oil plants), private manufacturing and services, and both traditional and large-scale agriculture. The agricultural sector makes up about 9 percent of Mexico's gross national product (GNP), and this share has been declining as industry and services have expanded. Still, about a third of the 90 million Mexican residents live and work in rural, agricultural areas.

About 12 percent, or 57 million acres, of Mexico's total land area is arable, compared with 20 percent in the U.S. Its climate ranges from desert to tropical, but roughly two-thirds of the land is arid or semi-arid.

Just as the U.S. has a Corn Belt, key commodities in Mexico tend to be concentrated in specific regions of the country. Large, irrigated farms in the arid north produce wheat, sorghum, oilseeds, cotton, vegetables, and forage crops. Cattle operations are also concentrated in the northern and Gulf states; livestock is mainly range-fed.

Over half of Mexico's cropland is located in the rain-fed central highlands, but rainfall varies widely and is often irregular, with most occurring from July through October. Small, nonirrigated farms in the central states produce two of Mexico's most important staples—corn and beans. Some diversification is evident—into feedgrains, oilseeds, fruits, and vegetables—especially near Mexico City. While most crops in the central region are grown under rain-fed conditions, some supplemental irrigation is used.

In the southern, tropical regions of Mexico, coffee, rice, sugarcane, and traditional plantation crops are produced. Pork and poultry operations are scattered throughout the country, and production occurs in modern commercial operations, which are more intensive than traditional livestock operations. For instance, modern broiler production facilities may involve millions of birds in closed, factory-like settings.

Special Articles

Reaching for Growth Without Trade

Until recently, Mexico's economic policies attempted to achieve growth without recognizing a strong role for trade. Since the 1950's, Mexico's major economic policy goal has been industrialization. Like many developing economies, Mexico tried to accomplish its goal of industrialization through a policy of import substitution rather than export promotion. Together with high levels of public investment and subsidies, import substitution helped the industrial sector grow rapidly. Tariff and nontariff barriers on imported consumer goods were kept high, while less restrictive import requirements were offered on capital and intermediate goods. Urban wage rates were kept low, partially through a "cheap food" policy.

By 1970, Mexico was close to self-sufficiency in steel and many consumer goods, including basic foodstuffs. Throughout the 1970's the cost of success mounted both internally and externally as Mexico ran up the second-largest debt of any Latin American country. Forced to consider alternative policies to achieve its goals, Mexico opened its economy to international competition and began to pursue a more "outward-looking" strategy beginning in 1985. Joining GATT in 1986 was a major step toward liberalization, and efforts are continuing through the current NAFTA negotiations.

Policies for Mexico's agricultural sector were intended in large part to complement economy-wide goals. Agricultural policies sometimes have included conflicting goals such as providing an abundant and inexpensive food supply to underwrite urbanization and industrialization, improving farm income to avoid widespread rural unrest, generating foreign exchange from agricultural exports, and narrowing the income gap within agriculture.

The Mexican government has been involved in all aspects of the country's food system from farm to retail since the 1930's. Beginning in the 1940's, the government invested heavily in agricultural infrastructure. New lands were opened and irrigation was expanded, particularly in the northern and northwestern regions.

Other programs sponsored the development of high-yielding crop varieties, particularly wheat, while basic research emphasized technology associated with irrigated production. Along with subsidized credit and price supports, the policies spurred impressive agricultural growth rates. Faced with growing financial constraints in the 1970's and 1980's, the government began to rely less on long-term investments and more on price incentives, input subsidies, and crop insurance programs to stimulate production.

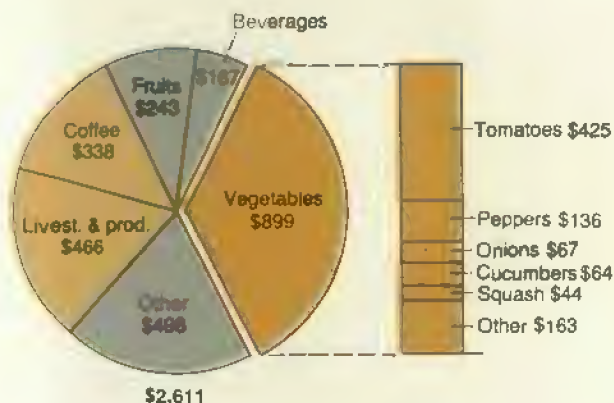
With price incentives, the government guaranteed the purchase of basic crops, including corn, beans, wheat, sorghum, soybeans, rice, safflower, and cottonseed, at support prices through CONASUPO, the regulatory agency for agricultural commodities. Support prices included adjustments for inflation, announced twice a year. Government purchases maintained

average farm prices close to support levels, but for the most part, failed to provide increases in real producer prices (prices adjusted for inflation). Mexican support prices have periodically fallen below world prices.

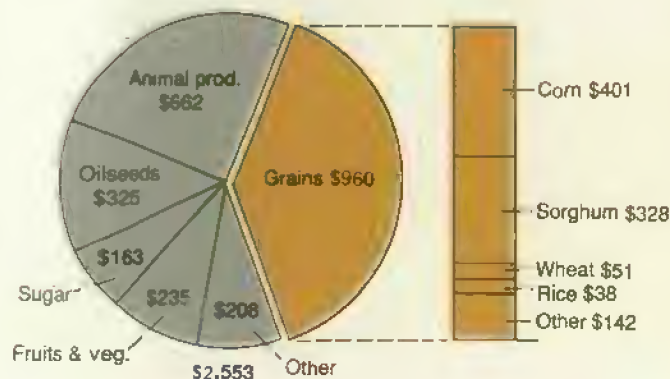
Numerous and substantial input subsidies were also offered to encourage production and to keep food prices low. Input prices (principally fertilizer, improved seed, credit, irrigation, electricity, fuel, and crop insurance) rose far less than crop prices over most of the past 30 years. For example, diesel fuel prices remained fixed for many years, and real interest rates provided by public institutions have been negative until recently.

Retail prices have been held at artificially low levels through CONASUPO for many years. The recent financial crisis and austerity measures have forced Mexico to reduce consumer

Major U.S. Agricultural Purchases from Mexico Are Vegetables, Coffee, and Livestock...



... While Mexico Buys Mostly Grain from U.S.



\$ million, 1990 data.

subsidies substantially. As a result, consumer prices of these controlled commodities rose faster in some years than the prices of other commodities. The present administration hopes to target consumption subsidies to specific groups and increase the efficiency of the operations of CONASUPO.

In addition to price controls, subsidies were provided along the marketing chain for basic commodities. The government purchased a portion of domestic agricultural production and most imports of basic commodities. It also owned and operated processing plants, and a network for distribution and retail sales.

Until recently, the major thrust of agricultural trade policy was government control over imports and exports of essential foodstuffs and agricultural raw materials. CONASUPO was the sole authorized importer of most grains, oilseeds, and dairy products, and still maintains control on the final import decision for many basic commodities. As recently as 1988, nearly 41 percent of agricultural commodities imported were purchased by the government, including almost all wheat and corn, over half the sorghum, and almost half of all cattle imported.

Mexico Shifts Toward Export Promotion

Since 1988, the private sector's role in agricultural trade has increased. Import decisions are now made by a committee that includes CONASUPO and other governmental and private industry representatives. Many government-operated facilities are being sold to private investors. Diversification of food import sources has also been a trade policy objective, but has not been very successful. A "Buy Mexico" policy still remains in effect before import licenses are granted.

Before the recent changes, many agricultural exports from Mexico required licenses and were subject to export taxes. The government sold about 8 percent of the agricultural commodities exported. All of the wheat and nearly all of the tobacco and honey exported were sold by the government. Licensing of exports such as coffee, cotton, beef and live cattle was often used to restrict exports until domestic needs were met and domestic price objectives obtained. This has changed completely in the past few years.

Mexico's recent efforts to increase revenues from nonpetroleum exports and the devaluation of the Mexican peso have been important factors in expanding economic growth and trade, as has its accession to the GATT. From 1983 through 1988, real per capita income in Mexico fell at an average annual rate of 2.5 percent, but increased steadily starting in 1989, and in 1991 is estimated to have increased over 5 percent.

Since it joined GATT in 1986, Mexico has converted many of its restrictive licensing requirements on imported products to

tariffs; however, this process has been slowest for agricultural products. Mexico has discontinued the "official" price system for the purpose of calculating ad valorem duties. In most cases, the official prices were substantially higher than actual invoice prices.

Mexico's maximum applied tariff rate has been reduced to 20 percent from a 1985 maximum of 100 percent, falling well below the overall GATT binding tariff of 50 percent. Mexico also liberalized its import licensing requirements. Import licenses, which had formerly been applied to all imports, have been retained only for selected commodities, most of which are agricultural items. As the use of licensing requirements for agricultural imports fell between 1988 and 1990, Mexico tended to increase tariffs. Mexican licensing requirements apply to about 40 percent of U.S. agricultural exports to Mexico but only about 28 percent of total Mexican agricultural imports.

Imports Support Domestic Food Consumption

Although Mexico's agriculture is fairly diverse, imports significantly augment domestic consumption. Even with strong commitments to self-sufficiency periodically voiced by government, Mexico in the 1990's will continue to rely heavily on food imports to meet domestic consumption requirements. The current agricultural policy stresses "food access," whether domestically produced or imported, rather than self-sufficiency.

In recent years, crop production has been declining, due to a combination of weather-related factors—drought, frosts, and hurricanes—as well as low reservoir levels, and high production costs. After very poor harvests in 1989, Mexico was forced to import large amounts of corn, dry edible beans, and sorghum.

Primarily because of abundant rainfall, crop production in Mexico increased in 1990. Overall grain production increased 2 percent, but oilseed output plummeted almost 40 percent as a result of price policy changes. Corn, safflower, and sorghum output all increased in 1990 above 1989 levels, but cottonseed, rice, and soybean production fell.

Beef cattle numbers fell in 1990, from 30 to 29 million head, mainly due to policies encouraging feeder cattle exports to the U.S. Hog numbers remained down in 1990, following an outbreak of swine cholera in early 1989. Total poultry and turkey meat output increased, from 635,000 tons in 1989 to 700,000 in 1990.

Dry bean production more than doubled from 605,000 tons in 1989 to 1.3 million by 1990, while cocoa, coffee, and honey production all increased modestly. Orange production increased 9 percent, and tomato output rose almost 10 percent.

Special Articles

Mexico Is an Important U.S. Customer...

Proximity to the Mexican market has helped the U.S. maintain its position as Mexico's principal supplier of agricultural goods, including commodities and farm machinery. In 1990, Mexico's agricultural purchases from the U.S. totaled more than \$2.5 billion, representing about 78 percent of the value of all agricultural commodities imported by Mexico. (The EC and Canada together supply 15 percent of the value of Mexico's agricultural imports.) The U.S. sells over 90 percent of the live animals, meats, cereals, fruits and vegetables, and food oils purchased by Mexico, and at least three-fourths of its cotton and oilseed purchases.

The only commodity group for which the U.S. is not Mexico's main supplier is dairy products and eggs. The EC supplies nearly half of these commodities purchased by Mexico, while the U.S. supplies about a third. Mexico's dairy, livestock, and poultry imports have grown rapidly, rising from less than \$300 million in 1980 to about \$800 million annually during 1988-90.

...And the U.S. Is Mexico's Best Customer

Imports of U.S. agricultural products by Mexico are just half the story. In 1990, the U.S. purchased \$2.6 billion of agricultural products from Mexico, taking more than 90 percent of Mexico's agricultural exports. All of Mexico's live animal exports go to the U.S., and 80 percent or more of Mexico's exports of cotton, oilseeds, beverages, and fruits and vegetables are purchased by the U.S. Mexican horticultural products now constitute a major part of total agricultural products from Mexico and have registered the most rapid growth of all U.S. agricultural imports from Mexico.

How important are Mexico's products to the U.S. market? About 20 percent of U.S. coffee imports, a third of fruit and vegetable imports, and 60 percent of live cattle imports come from Mexico. Coffee imports are spread fairly evenly throughout the year, with a slight decrease in the summer months. Fruit and vegetable imports are heaviest in the winter months, a time of low production in the U.S.

Mexico's processed agricultural exports to the U.S. have become increasingly important, with a rate of growth during the 1980's second only to sales of autos assembled in Mexico and shipped to the U.S. Processed agricultural exports include frozen and canned vegetables, fruit juices (mainly orange juice) and beer.

While the overall balance of trade has been in Mexico's favor for most of the 1980's, the agricultural trade balance has generally favored the U.S. Altogether, agricultural trade between the U.S. and Mexico reached nearly \$5.2 billion in 1990—an increase of more than \$1.2 billion just since 1988. Bilateral agricultural trade between the U.S. and Mexico has grown at an average annual rate of 3.6 percent during the 1980's, one of the highest growth rates for any major U.S. trading partner. This growth in trade is one of the reasons behind Mexico's interest in a North American Free Trade Agreement, along with the U.S. and Canada.

However, the growth pattern of U.S. and Mexican agricultural exports has differed. While Mexico's agricultural exports to the U.S. showed a steady growth trend (aside from a surge in 1986 which was mainly the result of higher coffee prices), U.S. agricultural exports to Mexico have fluctuated, reflecting mainly Mexico's harvest conditions and adverse economic conditions. The availability of U.S. export credit guarantees and competition from other suppliers also affect the volume of exports to Mexico. U.S. agricultural exports to Mexico fell from about \$2.5 billion in the early 1980's to about \$1 billion in 1986-87, before climbing to a record \$2.7 billion in 1989.

As the volume of bilateral trade has increased, transportation and other infrastructure constraints at the border and in Mexico could become obstacles to trade expansion. Administrative processing procedures on both sides of the border also need improvement. Mexico's transportation infrastructure has had difficulties handling the large increase of trade in recent years, and without improvement, this could limit trade volume between the two countries.

With an expanding population, a growing economy, and limited agricultural land resources, Mexico should continue to be a growing market for U.S. agricultural products during the 1990's. If a North American Free Trade Agreement materializes, a market of 365 million people with a combined GNP in excess of \$6 trillion would exist among Mexico, Canada, and the U.S., creating opportunities for increased trade. [John Link (202) 219-0662 and Terry Crawford (202) 219-1285] AO

Next month

Part III

Northward patterns of Mexican labor migration

Southward market and investment outlets for the U.S.

In the April issue of *Agricultural Outlook*



Civil War & Food Crisis in the Horn Of Africa

Much of the world's attention in the past 2 years has focused on the political and economic changes sweeping through Central and Eastern Europe and the former Soviet Union. But in a part of the world known as the Horn of Africa, three countries—Ethiopia, Sudan, and Somalia—are also wrestling with profound political and economic changes.

What all these countries have in common is that their agricultural prospects are dependent on political stability and the success of transition economies. But the countries in the Horn of Africa must clear another hurdle not shared by the CEE's and Soviet republics—poor natural resources and frequent droughts that make famine a perennial threat.

Throughout Africa, cereals comprise more than 40 percent of all calories consumed. Average daily caloric intake ranges from 1,540 in Somalia and Ethiopia to almost 2,000 in Sudan. By contrast, Americans consume over 3,600 calories per day on average, Central Europe averages 3,515, and the former Soviet Union 3,400. Even in Albania, the poorest country in Europe, the daily caloric intake is 40-75 percent higher than for countries in the Horn.

These African countries rely on food aid to avert famine, but donations are not always sufficient or delivered in time to avoid disaster. Over 20 million people—one-fourth of the combined population for the three countries—are repeatedly threatened by starvation.

Political Events Overshadowed 1991

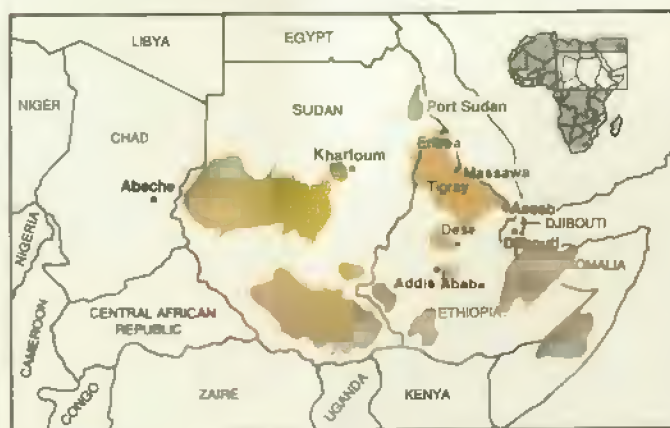
In 1991, the agricultural situation in the Horn of Africa was profoundly affected by a series of dramatic political events. In Sudan, continuing civil war combined with a poor harvest, and an economy in shambles, to plunge the country into the most serious food crisis since 1984.

The civil war, in its ninth year and escalating, is displacing large numbers of people, exposing them to lack of food, housing, and medicine. Prospects for a peaceful resolution do not appear bright, with a fundamentalist Islamic government entrenched in power in the north and factional fighting within the southern-based Sudanese People's Liberation Army (SPLA), as well as increasing fighting in western Sudan. Continued conflict is expected well into 1992.

In Ethiopia, President Mengistu's 17-year Marxist regime collapsed in 1991, ending a long civil war. The new government faces lingering regional and ethnic conflicts, which fueled the long and destructive civil wars in the regions of Tigray and Eritrea. Still, prospects for transition from a war-ravaged, drought-stricken country to a democracy with a market economy are better now than any time in the past two decades.

The interim government has initiated agricultural reform under an economic charter that orients the country toward a market economy. In addition, regional elections will take place in March, to be followed by national elections within the next 18 months; a referendum will eventually be held on the independence of Eritrea.

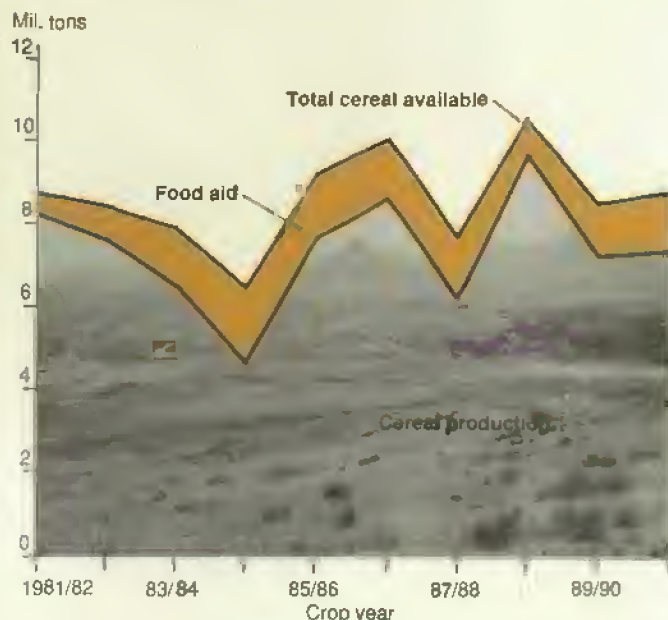
Famine Continues To Stalk the Horn of Africa



Emergency food needs, 1992

Special Articles

Food Aid Helps Bridge the Food Gap in Sudan and Ethiopia



The end of the Marxist regime has not halted the conflict in Ethiopia, however, although hostilities have ended in Tigray and Eritrea. Civil strife is plaguing the southern and eastern parts of the country, which had until recently suffered more from the turbulence in neighboring Somalia and Sudan than from Ethiopia's own internal conflict. But continuing internal conflicts, and spillover from the fighting in Somalia to the Ogaden region of Ethiopia have caused a collapse of the region's livestock- and export-oriented economy, putting further stress on pastoral farmers in the area.

In Somalia, there is no effective government at present. President Siad Barre was overthrown in January 1991, and the country is now divided in two, with rival clans fighting for control. Half the population is in need of food aid, but deliveries have been disrupted with the overthrow of the government. The situation has deteriorated to the point that the United Nations (U.N.) has been unable to establish a cease-fire or arrange for relief assistance to civilians caught in the conflict.

The Poorest of the Poor

African countries are among the poorest in the world, and the countries in the Horn are the poorest of the poor. The economies of Sudan, Somalia, and Ethiopia are predominantly agricultural. Approximately 80 percent of the labor force is employed in agriculture. Agriculture contributes 35-45 percent of GDP in Sudan and Ethiopia, but productivity is low.

Throughout the 1980's, gross domestic product (GDP) of many African countries declined annually, while inflation skyrocketed. In Sudan, GDP declined 1.6 percent annually be-

tween 1980 and 1990. Per capita income for this largest country in Africa (nearly one-fourth the size of the U.S.) was estimated at \$330 in 1990. But cereal prices increased between 400 and 700 percent from 1989 to 1990 alone. Cereals, the dietary staple, are either unavailable or beyond the affordability of most consumers.

For the 53 million Ethiopians, per capita income was a meager \$130 in 1990, and Somalia's 8 million citizens had a per capita income only marginally higher, at \$210. Inflation in Somalia exceeded 200 percent in 1990, while real GDP declined annually from 1988 through 1990.

Literacy rates in the Horn are low. Only a quarter of the population over the age of 15 can read and write in Sudan and Somalia. Ethiopia's literacy rate is better—62 percent of the population over the age of 10 is literate. Life expectancies in the three countries range from 50 to 56 years.

Incomes Fall, Food Aid Rises

While incomes have been declining, the need for food aid has increased steadily throughout the last decade. From 1981 to 1990, nearly 14 million tons of food aid found its way to the Horn of Africa.

Because of ongoing conflicts, last year the U.N. created a special emergency office for countries in the Horn of Africa which has just issued its appeal for food aid for 1992. An estimated 1.8 to 2 million tons of food are required to meet the needs of nearly 20 million people affected by drought and civil strife in the Horn.

Sudan's annual cereal requirements are estimated at 3.5 million tons for 26 million people. After a below-average harvest in 1990, a food gap of 1 million tons was estimated for the country for 1991, and donors provided over 600,000 tons of emergency food. Although the shipments prevented mass starvation, difficulties in transporting food to the region of Darfur in Western Sudan led to extensive starvation in 1991. One observer characterized the situation in Darfur as a "silent famine," as people in villages died waiting for food that was promised but never arrived in time.

Domestic cereal production in Sudan in 1991 is estimated at 3.4 million tons, an increase of over 75 percent from 1990 and, on the whole, appears adequate to meet the country's cereal needs for this year. But the increased production is concentrated in the eastern and central regions of the country. The western part of the country experienced crop failure, and movement of cereals from surplus to deficit areas is unlikely because of poor infrastructure, and bureaucratic and security problems, coupled with continued armed conflict and the collapse of markets.

Emergency assistance will be targeted to those identified as "seriously at risk" of imminent starvation and loss of life. Primar-

Food Distribution Hampered by War

In 1991, emergency food aid was distributed in both northern and southern Sudan despite a 9-year-old civil war, economic collapse, and political instability. In addition to the U.N.'s World Food Program (WFP), Western donors supply food using the distribution services of NGO's (non-governmental organizations) or PVO's (private voluntary organizations) for distribution.

In Sudan, food was distributed by different transport channels to the northern and southern parts of the country. To reach northern Sudan in 1991, food was moved from the only port (Port Sudan) by road to the capital of Khartoum under the U.N.'s World Food Program. This first phase is referred to as primary distribution. Under the secondary transport phase, food is distributed directly to the regions by transporters under contract to the PVO's in charge of the relief effort.

In the case of the westernmost region of Darfur, the secondary transport was intended to deliver food directly to the villages, bypassing major towns along the way. Because of difficulties posed by conflict, however, the PVO's and donor community had to abandon attempts at distribution and allow the U.N. to assume responsibility for transporting food directly to Darfur from Port Sudan. In August, when food deliveries were behind schedule (only 8 percent of food had been moved), the U.S. funded a U.N. airlift to get food and medicine to a remote part of Darfur.

A major problem in distribution is coordination among different groups, as well as coordinating various methods and routes of transportation. Access and communication problems faced PVO's and donors in 1991 because the government—under the guise of security considerations—made it difficult to monitor areas of need, deliver food aid, and assess the nutritional status of population in need.

In tumultuous southern Sudan, food is delivered by air, road or barge. Food is airlifted from the capital of Khartoum, or from Kenya or Uganda, to most government-held towns. Emergency food is also transported by road from Kenya and Uganda to SPLA-held territory.

In Ethiopia, emergency food assistance was distributed before the end of civil war to the "at-risk" population in a variety of ways, such as transporting grain through Sudan. Donor food aid was shipped into Port Sudan and then transferred across land into areas primarily under the control of the rebel groups.

Direct shipment of food into the ports of Assab and Massawa was on-again, off-again, especially in 1991 with intense fighting around these two ports. Food brought in through Assab was first sent south to Dese and then moved north to the areas in need through what was commonly referred to as the Southern Line, a unique cooperative effort of NGO's, church groups, donors and government.

Of the total amount of emergency food relief provided, the share moving across the border reached an all-time high of 225,000 tons in 1990, while movement through the Southern Line reached a peak of over 200,000 tons by the end of 1991. In addition, an internal purchase scheme was used to procure grain from surplus areas of the country and move it to deficit areas in the war-torn parts of the country.

With the end of conflict, cross-border transportation of food through Sudan is no longer necessary. Opening the Ethiopian ports of Assab and Massawa and enhancing port capacity has led to increased inflows into the areas with the majority of the at-risk populations. Food for the urban at-risk population and those in the Ogaden region will also be brought in through Assab.

Also, with restrictions on grain movement between surplus and deficit areas lifted, and the legalization of private grain trade and transportation, markets should be able to develop. This would significantly reduce the need for donors to fund internal purchase and transfer of grain to meet relief needs.

primarily, this means the forcibly displaced populations now in Khartoum, those similarly displaced in southern Sudan, and the drought-affected populations in the Kordofan and Darfur regions in western Sudan. The total population estimated to be at risk is 7 million. In 1991, an estimated \$450 million of emergency food and assistance was supplied to Sudan, \$170 million of which was U.S. food and nonfood commodity assistance, including internal transport, storage, and handling.

Overall, 1991 was only marginally better than 1990 for Ethiopia's agriculture. The cessation of hostilities came too late in the growing season to have a major positive effect on the drought-prone region of Tigray and in Eritrea, and both areas were plagued by drought and factional conflicts again in 1991. In the Ogaden region in eastern Ethiopia, drought, an increased influx of refugees fleeing fighting in neighboring Somalia, and the consequent collapse of the livestock economy have added to the number of people at risk of starvation. Factional fighting continues in the southern and western parts of the country, further increasing the number of displaced persons.

Special Articles

Urban areas have not escaped the risk of hunger brought on by the recent conflict. In the capital of Addis Ababa, the urban population has increased by over 30 percent in the last 8 months due to the dislocation of families and ex-soldiers of the former regime.

Overall food aid required for Ethiopia and Eritrea in 1992 is estimated at 1.2 million tons, of which 800,000 is considered emergency food aid. The World Bank is putting together a \$550-million rehabilitation program for implementation over the next 2 years. Funds will be used to rehabilitate the transport and industrial infrastructure, and to import fertilizer, seeds and machinery, building materials, and other items required to "jump-start" the economy.

At present, U.S. development assistance to Ethiopia is prohibited by law because Ethiopia is under sanctions due to arrears on debt incurred prior to 1974. However, the U.S. can and does provide emergency food and nonfood assistance. In fact, the U.S. and EC have provided most of the emergency food and nonfood aid to Ethiopia and Eritrea since 1974.

Continued Need for Aid In the Longer Term

Drought will continue to be a major problem affecting agricultural production in Sudan in the 1990's. If not for its large irrigated sector—with over 4 million acres, Sudan's irrigated sector is the largest in Sub-Saharan Africa—the level of food aid required would be even greater. Most of the increased cereal production in 1991 was due to an expansion in cultivated area in the irrigated sector.

The irrigated sector has produced primarily oilseeds, cotton, groundnuts, wheat, and sorghum. In the last 2 years, however, there has been a major shift from oilseeds to cereals, because of large cereal deficits. As a result, Sudan has had to import large quantities of edible oils, as oilseed production fell dramatically.

The emphasis on cereal production is probably not sustainable, because the comparative advantage of the irrigated sector is in oilseed production. The optimal solution would be to grow cereals in the eastern and western rainfed sectors of the country, if it recovers from drought, and if continued conflict does not make the area too insecure for farming.

The civil war has not only affected agriculture but has also stunted growth in the entire economy as government spending was diverted to military expenditures. As long as conflict continues, prospects for development remain bleak. A 1991 World Bank report on the outlook for economic growth in Sudan concluded that an end to war would be the most critical event in leading the country to economic stability and growth.

Ethiopia, because of its extremely low agricultural productivity, is expected to remain a food deficit country at least to the mid-to late 1990's. Self-sufficiency will depend on the extent to which the country's infrastructure is rehabilitated and whether radical economic changes begin to take hold. The removal of constraints on grain production and marketing and a renewed emphasis on private sector production and marketing, should lead to increased domestic output—especially in the now conflict-free areas of Tigray and Eritrea.

Long-term agricultural prospects in Ethiopia depend on the success of the recently approved Economic Reform Program. With highly diverse farming systems, little use of modern inputs, and environmental degradation from civil war and population pressure, sustainable increases in agricultural output will require access to a wide variety of inputs and marketing techniques.

After 17 years of Marxist rule, the transition to a market economy will depend on adherence to the principles of the interim government's market-oriented economic charter and on guarantees for a free and open political system. Only with economic and agricultural recovery will Ethiopia achieve food self-sufficiency and reduce its dependency on both emergency and structural food aid. [Brian D'Silva (202) 219-0680] AO

Read more about it in...

African Food Needs Assessment

- Short-term food aid needs of 40 countries
- In-depth analysis on 19 countries
- USDA data as of September 1991

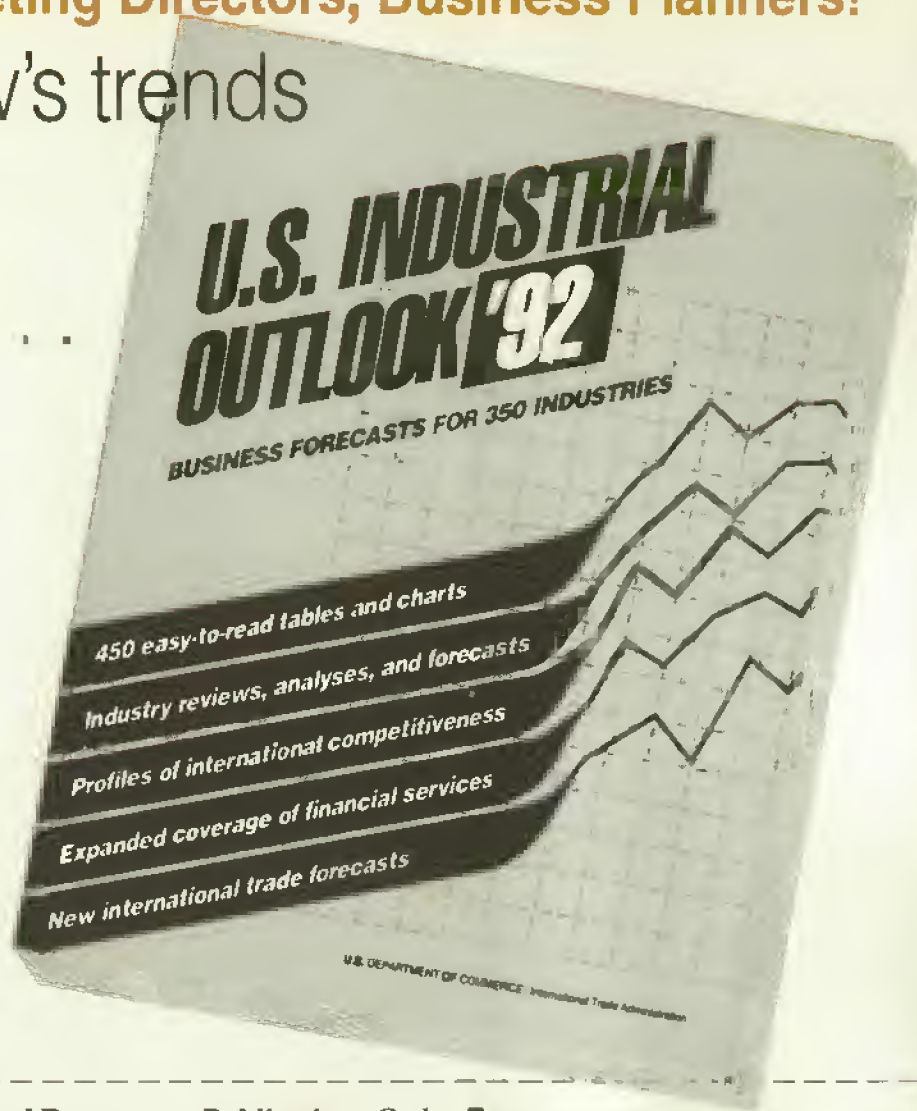
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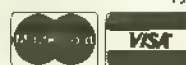
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Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1991					1992			
	I	II	III	IV	Annual	I F	II F	III F	Annual F
Prices received by farmers (1977=100)	145	151	147	139	146	143	—	—	—
Livestock & products	167	165	159	155	162	157	—	—	—
Crops	123	136	135	123	130	129	—	—	—
Prices paid by farmers, (1977=100)									
Production items	173	175	173	172	173	—	—	—	—
Commodities & services, interest, taxes, & wages	188	189	189	189	189	—	—	—	—
Cash receipts (\$ bil.) 1/	162	174	170	168	168	—	—	—	—
Livestock (\$ bil.)	87	84	84	87	85	—	—	—	—
Crops (\$ bil.)	76	90	86	79	83	—	—	—	—
Market basket (1982-84=100)									
Retail cost	137	139	137	137	137	—	—	—	—
Farm value	109	109	105	101	106	—	—	—	—
Spread	153	154	154	155	154	—	—	—	—
Farm value/retail cost (%)	29	28	27	26	27	—	—	—	—
Retail prices (1982-84=100)									
Food	136	137	136	137	137	—	—	—	—
At home	136	137	135	136	136	—	—	—	—
Away from home	136	137	139	141	138	—	—	—	—
Agricultural exports (\$ bil.) 2/	11.3	8.8	8.4	—	37.5	—	—	—	39.0
Agricultural imports (\$ bil.) 2/	5.8	5.5	5.3	—	22.6	—	—	—	22.0
Commercial production									
Red meat (mil. lb.)	9,465	9,838	9,985	10,318	39,402	9,797	10,025	10,425	40,807
Poultry (mil. lb.)	5,837	6,296	6,460	6,298	24,891	6,145	6,515	6,645	25,885
Eggs (mil. doz.)	1,422	1,420	1,441	1,475	5,758	1,440	1,430	1,445	5,790
Milk (bil. lb.)	37.5	38.6	36.3	36.1	148.5	37.8	38.8	36.8	149.8
Consumption, per capita *									
Red meat and poultry (lb.)	50.9	53.3	54.8	56.2	215.0	53.0	54.7	56.4	221.3
Corn beginning stocks (mil. bu.) 3/	1,344.5	8,940.3	4,789.0	2,992.0	1,344.5	1,521.2	—	—	—
Corn use (mil. bu.) 3/	2,339.1	2,151.6	1,797.8	1,472.2	7,780.7	2,464.5	—	—	7,925.0
Prices 4/									
Choice steers—Nab. Direct (\$/cwt)**	80.09	77.92	69.15	69.98	74.28	70-74	71-77	70-76	70-78
Barrows & gilts—7 mths. (\$/cwt)	51.50	53.34	50.85	39.84	48.88	37-41	40-46	38-44	38-44
Broilers—12-city (cls./lb.)	51.2	52.2	54.2	50.5	52.0	48-52	47-53	48-54	47-53
Eggs—NY gr. A large (cls./doz.)	85.9	70.2	77.1	76.8	77.5	68-72	69-75	73-79	71-77
Milk—all at plant (\$/cwt)	11.60	11.37	12.30	13.87	12.23	12.25-13.25	10.85-11.85	11.60-12.60	11.85-12.85
Wheat—KC HRW ordinary (\$/bu.)	2.81	3.00	3.11	3.82	3.18	—	—	—	—
Corn—Chicago (\$/bu.)	2.43	2.48	2.47	2.49	2.42	—	—	—	—
Soybeans—Chicago (\$/bu.)	5.70	5.73	5.65	5.66	5.69	—	—	—	—
Cotton—Avg. spot 41-34 (cls./lb.)	75.4	81.0	68.7	55.6	69.7	—	—	—	—
	1984	1985	1986	1987	1988	1989	1990	1991	1992 F
Gross cash income (\$ bil.)	155.5	157.2	152.8	165.1	171.9	179.9	188.0	183	179-188
Gross cash expenses (\$ bil.)	119.0	109.3	105.0	109.8	114.5	120.6	124.2	126	125-132
Net cash income (\$ bil.)	36.6	47.9	47.8	55.3	57.4	59.4	61.8	58	52-57
Net farm income (\$ bil.)	26.3	31.0	31.0	39.7	40.8	50.1	50.8	44	40-46
Farm real estate values 5/									
Nominal (\$ per acre)	801	713	640	599	632	661	668	682	689-702
Real (1982 \$)	771	662	577	526	538	545	529	519	503-514

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Sept.-Nov. first quarter; Dec.-Feb. second quarter; Mar.-May third quarter; Jun.-Aug. fourth quarter, Sept.-Aug. annual. Use includes exports & domestic disappearance. 4/ Simple averages, Jan.-Dec. 5/ 1990-92 values as of January 1. 1986-89 values as of February 1. 1984-85 values as of April 1. F = forecast. — = not available.

* The pork carcass to retail conversion factor has been revised. ** Omaha Choice steer price has been replaced by the Nebraska Direct, 1,100-1,300 lb. Choice steer price.

U.S. & Foreign Economic Data

Table 2.—U.S. Gross Domestic Product & Related Data

	Annual		1990		1991			
	1989	1990	1991	IV	I	II	III R	IV P
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	5,244.0	5,513.8	5,671.8	5,557.5	5,589.0	5,652.0	5,708.2	5,736.0
Gross national product	5,248.2	5,524.5	—	5,583.2	5,611.7	5,660.6	5,720.1	—
Personal consumption expenditures	3,517.9	3,742.6	3,888.8	3,812.0	3,827.7	3,868.5	3,916.4	3,934.4
Durable goods	459.8	465.9	445.2	451.9	440.7	440.0	452.9	447.2
Nondurable goods	1,146.9	1,217.7	1,251.0	1,248.4	1,248.3	1,252.9	1,257.4	1,247.8
Clothing & shoes	200.5	208.7	210.9	208.8	208.2	212.8	214.6	207.9
Food & beverages	563.3	595.8	618.7	604.8	618.3	620.5	620.4	617.7
Services	1,911.2	2,059.0	2,190.5	2,113.6	2,140.7	2,175.6	2,208.1	2,239.6
Gross private domestic investment	837.6	802.6	725.3	750.9	709.3	708.8	740.9	742.3
Fixed investment	801.6	802.7	745.6	745.4	748.4	745.8	744.5	743.4
Change in business inventories	36.0	0.0	-20.2	-36.5	-39.2	-37.1	-3.6	-1.1
Net exports of goods & services	-82.9	-74.4	-27.1	-76.6	-36.8	-17.2	-37.3	-17.3
Government purchases of goods & services	971.4	1,042.9	1,086.9	1,071.2	1,088.8	1,092.5	1,089.1	1,077.0
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,838.9	4,884.9	4,848.4	4,855.1	4,824.0	4,840.7	4,862.7	4,866.3
Gross national product	4,840.7	4,894.8	—	4,877.7	4,843.7	4,847.8	4,872.0	—
Personal consumption expenditures	3,223.1	3,262.6	3,256.7	3,251.8	3,241.1	3,252.4	3,271.2	3,262.2
Durable goods	440.8	438.9	412.5	424.0	410.8	408.9	418.3	412.1
Nondurable goods	1,049.3	1,050.8	1,042.3	1,044.7	1,043.9	1,046.2	1,046.1	1,033.0
Clothing & shoes	187.9	187.4	182.9	184.1	181.7	186.1	184.7	178.9
Food & beverages	513.3	515.8	516.6	515.9	518.7	517.0	517.4	513.5
Services	1,732.9	1,773.0	1,801.9	1,783.1	1,789.3	1,797.2	1,806.8	1,817.1
Gross private domestic investment	789.2	744.5	672.8	696.6	657.0	656.3	686.5	690.8
Fixed investment	756.6	744.2	687.7	727.8	689.8	688.8	688.5	687.9
Change in business inventories	32.6	0.2	-15.1	-31.2	-32.6	-30.4	0.1	2.7
Net exports of goods & services	-75.7	-51.3	-17.6	-31.2	-18.6	-12.3	-31.1	-8.3
Government purchases of goods & services	900.4	929.1	938.7	937.9	944.5	944.3	938.1	921.9
GDP implicit price deflator (% change)	4.3	4.2	3.6	3.2	5.0	3.1	2.1	1.7
Disposable personal income (\$ bil.)	3,788.6	4,058.8	4,217.8	4,137.5	4,151.0	4,207.5	4,238.2	4,274.7
Disposable per. income (1987 \$ bil.)	3,471.2	3,538.3	3,534.1	3,529.5	3,514.8	3,537.4	3,539.9	3,544.3
Per capita disposable per. income (\$)	15,313	16,236	16,893	16,479	16,492	16,678	16,752	16,849
Per capita dis. per. income (1987 \$)	14,030	14,154	13,987	14,058	13,965	14,022	13,992	13,970
U.S. population, total, incl. military abroad (mil.)	248.8	251.4	254.0	252.5	253.1	253.7	254.4	254.7
Civilian population (mil.)	248.6	249.2	251.9	250.4	250.9	251.5	252.3	252.5
	Annual		1990		1991			
	1989	1990	1991	Dec	Sept	Oct	Nov	Dec
Monthly data seasonally adjusted								
Industrial production (1987=100)	108.1	109.2	107.1	107.2	108.4	108.2	108.0	107.8
Leading economic indicators (1982=100)	144.9	144.0	143.4	139.6	145.4	145.6	145.2	144.8
Civilian employment (mil. persons)	117.3	117.9	116.9	117.5	117.1	116.9	116.8	116.7
Civilian unemployment rate (%)	5.2	5.4	6.6	6.1	6.8	6.9	6.9	7.1
Personal income (\$ bil. annual rate)	4,386.2	4,679.8	4,833.9	4,769.6	4,872.8	4,881.7	4,874.1	4,923.3
Money stock—M2 (daily avg.) (\$ bil.) 1/	3,223.1	3,327.8	3,425.1	3,327.8	3,395.5	3,403.9	3,418.2	3,425.1
Three-month Treasury bill rate (%)	8.12	7.51	5.42	6.81	5.25	5.03	4.60	4.12
AAA corporate bond yield (Moody's) (%)	9.26	9.32	8.77	9.05	8.61	8.55	8.48	8.31
Housing starts (1,000) 2/	1,376	1,193	1,015	971	1,017	1,090	1,075	1,103
Auto sales at retail, total (mil.)	9.9	9.6	8.4	8.8	8.5	8.3	8.3	7.9
Business inventory/sales ratio	1.51	1.51	—	1.55	1.50	1.50	1.50	—
Sales of all retail stores (\$ bil.)	145.1	150.6	—	150.1	153.0	152.5	151.7 P	151.2
Nondurable goods stores (\$ bil.)	90.8	96.0	—	97.5	98.5	97.8	97.8 P	97.5
Food stores (\$ bil.)	28.8	30.2	—	30.7	31.1	30.9	30.7 P	30.8
Eating & drinking places (\$ bil.)	14.5	15.2	—	15.3	15.8	15.9	16.0 P	16.2
Apparel & accessory stores (\$ bil.)	7.6	7.9	—	7.8	8.1	7.9	7.9 P	7.8

1/ Annual data as of December of the year listed. 2/ Private, including farm. R = revised. P = preliminary. — = not available.
 Information contact: Ann Duncan (202) 219-0313.

Table 3.—Foreign Economic Growth, Inflation, & Export Earnings

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 F	Average 1981-90
	Annual percent change											
World, less U.S.												
Real GDP	1.4	2.3	3.3	3.0	3.2	3.1	4.0	3.2	1.3	-0.2	2.2	2.6
Consumer prices	13.8	12.5	13.5	14.2	4.9	12.2	20.0	39.2	46.5	43.3	30.3	19.5
Merch. exports	-6.7	-1.1	5.9	0.3	10.4	18.1	12.2	6.9	14.0	1.9	6.0	5.8
Developed less U.S.												
Real GDP	1.1	2.1	3.4	3.4	2.6	3.3	4.4	3.6	2.9	2.2	2.9	2.8
Consumer prices	8.3	6.0	4.9	4.6	2.6	2.6	2.9	4.3	4.8	4.7	4.2	5.1
Merch. exports	-4.4	-0.5	6.3	4.6	19.4	17.8	12.2	6.0	16.8	2.1	5.0	7.5
Eastern Europe & C.I.S.												
Real GDP	2.4	2.7	2.0	0.7	3.5	1.2	1.7	1.0	-8.6	-13.9	-5.2	0.9
Consumer prices	15.8	7.0	7.0	9.3	10.8	13.2	22.2	92.8	82.1	215.8	150.7	26.8
Merch. exports	7.9	2.7	0.9	-5.9	3.1	9.5	4.0	-0.9	-5.6	-22.7	-0.5	1.7
Developing												
Real GDP	1.5	2.4	4.5	4.1	5.1	4.4	4.9	3.8	2.8	2.8	4.7	3.6
Consumer prices	30.5	40.9	49.2	51.7	32.9	42.9	73.9	106.9	155.0	56.3	42.6	61.3
Merch. exports	-14.3	-3.6	6.7	-6.0	-6.8	21.9	14.8	11.8	12.0	3.3	9.5	3.4
Asia												
Real GDP	5.0	8.4	7.5	6.4	7.0	7.8	9.0	5.3	5.5	5.0	5.2	6.8
Consumer prices	6.0	6.4	6.9	7.8	5.5	7.3	11.4	9.8	8.1	8.7	8.7	7.9
Merch. exports	-0.5	4.6	14.6	-0.9	8.8	30.1	23.2	11.4	11.1	7.0	10.5	11.0
Latin America												
Real GDP	-1.3	-2.7	3.7	3.6	4.4	3.0	0.0	1.3	-0.9	1.2	2.2	1.1
Consumer prices	73.6	108.7	133.5	145.1	87.4	116.6	218.7	346.1	545.0	178.1	134.0	183.5
Merch. exports	-10.6	-1.5	10.2	-7.7	-17.9	13.6	14.1	12.2	9.0	0.0	8.0	2.8
Africa												
Real GDP	2.4	0.7	2.1	2.4	1.8	0.3	2.4	3.1	2.4	3.6	3.5	1.8
Consumer prices	12.3	17.6	19.5	13.0	14.8	13.9	21.8	21.8	14.6	17.7	14.2	17.1
Merch. exports	-27.9	18.1	10.7	-13.5	-17.1	14.3	-2.7	3.6	19.6	-2.3	4.7	-1.5
Middle East												
Real GDP	-3.6	-1.7	-2.0	-1.8	4.3	-1.3	4.6	4.9	-0.3	-6.8	13.5	0.6
Consumer prices	17.5	12.7	17.1	15.6	15.3	20.0	26.0	17.2	9.3	21.3	13.5	17.3
Merch. exports	-22.0	-23.0	-10.9	-8.0	-20.4	12.8	1.0	19.4	17.8	-8.4	5.8	-3.8

F = forecast.

Information contact: Alberto Jerardo, (202) 219-0717.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

	Annual			1991						1992
	1989	1990	1991 P	Jan	Aug	Sept	Oct	Nov	Dec R	Jan P
	1977 = 100									
Prices received										
All farm products	148	149	148	144	146	147	142	139	137	137
All crops	134	127	130	121	133	137	126	124	120	123
Food grains	158	123	115	102	111	118	128	133	142	153
Feed grains & hay	128	123	118	116	117	116	115	116	117	120
Feed grains	123	118	115	112	115	116	114	115	116	120
Cotton	98	107	108	107	111	107	104	101	92	89
Tobacco	149	152	159	160	149	160	159	163	161	157
Oil-bearing crops	102	93	90	96	88	87	84	83	83	84
Fruit, all	194	188	270	200	350	387	272	217	209	203
Fresh market 1/	205	197	295	210	393	438	297	229	219	213
Commercial vegetables	145	142	135	132	112	116	116	149	112	133
Fresh market	144	144	140	132	107	112	113	158	105	133
Potatoes & dry beans	186	189	144	137	132	112	105	103	103	102
Livestock & products	160	170	162	166	168	157	158	154	154	151
Meat animals	174	193	186	193	180	175	176	170	166	165
Dairy products	140	141	126	121	127	132	138	142	142	140
Poultry & eggs	137	131	125	134	125	124	123	121	127	115
Prices paid										
Commodities & services										
Interest, taxes, & wage rates	178	184	189	188	—	—	189	—	—	188
Production items	165	171	173	173	—	—	172	—	—	171
Feed	136	128	123	124	—	—	123	—	—	124
Feeder livestock	194	213	214	216	—	—	203	—	—	199
Seed	165	165	163	163	—	—	163	—	—	163
Fertilizer	137	131	134	132	—	—	132	—	—	132
Agricultural chemicals	139	139	151	141	—	—	154	—	—	154
Fuels & energy	180	204	203	219	—	—	200	—	—	192
Farm & motor supplies	150	164	157	156	—	—	159	—	—	160
Autos & trucks	223	231	244	233	—	—	248	—	—	248
Tractors & self-propelled machinery	193	202	211	208	—	—	216	—	—	216
Other machinery	208	218	226	229	—	—	230	—	—	230
Building & fencing	141	144	148	144	—	—	147	—	—	147
Farm services & cash rent	161	166	170	170	—	—	170	—	—	171
Int. payable per acre on farm real estate debt	176	173	172	172	—	—	172	—	—	166
Taxes payable per acre on farm real estate	151	156	160	160	—	—	160	—	—	165
Wage rates (seasonally adjusted)	185	191	201	202	—	—	193	—	—	193
Production items, interest, taxes, & wage rates	167	172	175	175	—	—	173	—	—	172
Ratio, prices received to prices paid (%) 2/	83	81	77	77	77	78	76	74	72	73
Prices received (1910-14=100)	674	681	667	659	667	672	651	636	628	628
Prices paid, etc. (parity index) (1910-14=100)	1,221	1,265	1,299	1,293	—	—	1,298	—	—	1,295
Parity ratio (1910-14=100) (%) 2/	55	54	51	51	51	62	50	49	48	48

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1991						1992
	1989	1990	1991 P	Jan	Aug	Sept	Oct	Nov	Dec R	Jan
CROPS										
All wheat (\$/bu.)	3.72	2.61	3.00-3.10	2.42	2.63	2.80	3.09	3.25	3.44	3.74
Rice, rough (\$/cwt)	7.35	6.70	7.20-7.80	6.38	7.09	7.61	7.58	7.58	7.92	7.70
Corn (\$/bu.)	2.36	2.28	2.30-2.60	2.27	2.33	2.34	2.30	2.30	2.33	2.40
Sorghum (\$/cwt)	3.75	3.79	4.02-4.55	3.72	4.01	4.10	3.93	3.95	3.99	4.20
All hay, baled (\$/ton)	85.40	83.20	72.00	77.90	71.50	68.10	68.80	69.10	68.40	69.00
Soybeans (\$/bu.)	5.69	5.75	5.25-5.75	5.71	5.66	5.64	5.49	5.48	5.45	5.51
Cotton, upland (cts./lb.)	66.2	68.2	—	64.9	66.9	65.2	62.5	62.4	55.6	54.0
Potatoes (\$/cwt)	7.36	6.08	5.05	5.65	5.52	4.62	4.25	4.13	4.14	4.11
Lettuce (\$/cwt) 2/	12.60	11.50	12.10	10.20	7.97	11.30	10.60	28.80	9.12	8.01
Tomatoes fresh (\$/cwt) 2/	33.10	27.30	32.60	23.10	22.50	21.90	20.60	30.60	15.90	32.20
Onions (\$/cwt)	11.40	10.50	11.80	13.80	11.90	10.10	8.60	9.08	10.50	10.90
Dry edible beans (\$/cwt)	28.50	18.60	16.90	17.20	15.80	14.40	14.40	15.70	15.00	14.40
Apples for fresh use (cts./lb.)	13.9	20.9	—	20.0	24.6	29.1	24.9	25.3	25.7	24.9
Pears for fresh use (\$/ton)	336.00	360.00	392.00	345.00	399.00	477.00	411.00	401.00	401.00	383.00
Oranges, all uses (\$/box) 3/	7.08	6.16	7.31	6.55	20.81	21.97	11.09	5.91	5.95	5.93
Grapefruit, all uses (\$/box) 3/	4.41	5.86	5.29	5.45	2.86	1.38	6.24	6.16	6.31	5.92
LIVESTOCK										
Beef cattle (\$/cwt)	69.70	74.80	72.90	76.60	68.80	68.60	70.40	67.90	67.40	67.80
Calves (\$/cwt)	91.80	96.50	100.00	98.00	98.30	96.10	93.90	90.00	87.60	86.70
Hogs (\$/cwt)	43.20	54.00	48.80	50.00	51.20	46.40	43.60	38.00	38.60	36.60
Lambs (\$/cwt)	67.30	56.00	52.60	48.00	53.40	53.60	51.70	50.20	52.00	53.20
All milk, sold to plants (\$/cwt)	13.56	13.78	12.23	11.70	12.30	12.80	13.40	13.70	13.80	13.60
Milk, manuf. grade (\$/cwt)	12.36	12.34	11.09	10.30	11.40	12.10	12.70	12.90	12.40	11.90
Broilers (cts./lb.)	36.1	32.4	31.0	30.9	32.3	32.1	31.1	29.6	29.0	30.0
Eggs (cts./doz.) 4/	70.0	70.4	66.9	79.1	63.8	63.0	63.8	64.0	71.8	58.2
Turkeys (cts./lb.)	40.0	38.4	38.6	33.9	40.7	40.2	38.9	40.0	40.9	37.4
Wool (cts./lb.) 5/	124.0	80.00	54.0	38.2	53.0	53.9	66.6	51.4	40.4	30.6

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns.
 4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average local market price, excluding incentive payments.
 P = preliminary. R = revised. — not available.

Information contact: Ann Duncan (202) 219-0313.

Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1990	1991							
	1991	Dec	May	June	July	Aug	Sept	Oct	Nov	Dec
			1982-84=100							
Consumer Price Index, all items	136.2	133.8	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9
Consumer Price Index, less food	136.1	133.7	135.4	135.7	136.1	136.7	137.4	137.7	138.0	138.1
All food	136.3	134.2	136.8	137.2	136.5	136.0	136.0	135.8	136.2	136.7
Food away from home	137.9	135.7	137.6	137.9	138.4	138.7	138.9	139.1	139.3	139.6
Food at home	135.8	133.8	136.9	137.4	136.0	134.9	134.9	134.4	135.0	135.5
Meats 1/	132.5	133.6	133.4	133.5	133.1	132.9	131.9	131.3	131.5	130.8
Beef & veal	132.4	133.0	134.1	133.2	132.6	132.3	131.0	130.7	131.9	131.7
Pork	134.1	136.8	134.2	136.1	136.7	135.7	134.1	132.7	131.3	128.5
Poultry	131.5	129.7	132.7	131.5	132.5	132.4	131.0	131.0	129.3	130.2
Fish	148.3	148.5	147.0	146.7	146.1	145.2	147.8	149.4	149.5	150.4
Eggs	121.2	128.7	112.4	110.2	113.9	121.0	118.0	116.8	115.4	123.6
Dairy products 2/	125.1	126.7	124.4	123.9	124.0	124.5	125.3	125.7	126.2	127.4
Fats & oils 3/	131.7	131.0	132.6	131.6	131.6	132.1	131.1	131.7	129.8	129.3
Fresh fruit	193.9	171.2	204.8	204.4	198.8	187.4	194.3	185.4	183.9	188.6
Processed fruit	131.8	134.6	132.1	131.2	130.6	130.9	131.3	130.5	131.4	131.5
Fresh vegetables	154.4	144.0	167.3	160.5	157.7	142.2	137.6	134.0	149.6	150.7
Potatoes	144.6	133.9	149.1	165.8	164.3	156.2	143.7	132.1	129.9	129.0
Processed vegetables	128.5	128.1	128.7	130.0	129.3	128.7	128.1	128.7	127.7	127.6
Cereals & bakery products	145.8	142.4	145.3	145.7	145.8	146.5	146.5	146.9	147.5	147.4
Sugar & sweets	129.3	126.4	129.2	129.5	129.9	130.3	129.6	130.5	130.6	130.9
Beverages, nonalcoholic	114.1	113.1	114.9	113.9	113.1	112.9	112.6	113.9	113.0	112.5
Apparel										
Apparel, commodities less footwear	127.4	123.8	126.3	125.2	123.2	123.2	130.4	132.0	132.2	128.2
Footwear	120.9	118.4	121.7	120.2	119.3	120.2	122.2	123.4	123.4	121.8
Tobacco & smoking products	202.7	190.5	199.6	202.9	203.7	204.7	205.7	206.1	209.0	211.7
Beverages, alcoholic	142.6	130.9	142.7	143.0	143.4	143.8	144.4	144.5	144.0	143.9

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 219-0313.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

	Annual			1990	1991					
	1988	1989	1990	Dec	July R	Aug R	Sept	Oct	Nov	Dec
	1982 = 100									
Finished goods 1/	108.0	113.8	119.2	122.0	121.8	121.7	121.3	122.3	122.3	121.9
Consumer foods	112.8	118.7	124.4	124.2	124.5	123.3	122.7	123.0	123.1	122.2
Fresh fruit	113.5	113.2	118.1	121.9	148.3	136.9	132.9	122.5	111.1	99.6
Fresh & dried vegetables	105.5	116.7	118.1	95.7	107.4	91.4	87.7	78.1	108.5	80.1
Dried fruit	99.1	103.0	108.7	111.0	111.8	110.5	111.5	111.9	111.8	112.0
Canned fruit & juice	120.2	122.7	127.0	125.3	128.5	128.1	129.6	130.3	131.3	133.2
Frozen fruit & juice	129.8	123.9	139.0	118.2	112.7	111.4	108.9	116.5	124.7	125.8
Fresh veg. excl. potatoes	100.4	103.9	107.8	87.2	102.0	82.6	81.8	73.5	113.1	76.1
Canned veg. & juices	108.3	118.6	118.7	114.5	113.1	112.2	110.9	111.2	110.1	108.8
Frozen vegetables	108.6	115.5	118.4	118.2	117.5	117.2	117.4	116.8	116.5	116.8
Potatoes	113.9	153.8	157.3	135.5	137.8	123.7	110.8	97.0	93.2	96.4
Eggs	88.6	119.6	117.8	124.5	100.7	109.0	105.8	105.0	102.1	118.7
Bakery products	128.4	135.4	141.0	142.8	146.2	147.3	147.5	147.7	148.4	148.9
Meats	99.9	104.8	117.0	119.5	118.1	111.5	108.1	108.7	105.9	104.8
Beef & veal	101.4	108.9	118.0	121.3	111.9	105.0	104.5	106.9	106.2	106.4
Pork	95.0	97.7	119.8	118.2	122.1	117.6	107.9	106.4	99.4	98.7
Processed poultry	111.8	120.4	113.6	108.6	113.3	114.0	112.8	111.2	108.8	105.5
Fish	148.7	142.9	147.2	152.7	143.3	135.8	142.0	153.1	155.3	156.3
Dairy products	102.2	110.6	117.2	112.8	113.6	115.1	115.9	119.1	119.7	120.1
Processed fruits & vegetables	113.8	119.9	124.7	120.2	119.6	118.7	118.2	119.2	119.9	120.4
Shortening & cooking oil	118.8	118.6	123.2	120.8	111.2	115.1	114.9	114.2	112.6	114.1
Soft drinks	114.3	177.7	122.3	124.0	124.7	124.5	124.6	125.3	124.9	124.1
Consumer finished goods less foods	103.1	108.9	115.3	120.0	118.4	119.0	118.8	119.7	119.7	119.3
Beverages, alcoholic	111.8	115.2	117.2	116.9	123.9	123.5	123.3	123.1	123.4	123.3
Apparel	111.7	114.5	117.5	117.7	119.8	120.0	120.0	120.4	120.3	120.5
Footwear	115.1	120.8	125.6	126.1	129.2	129.3	129.4	129.2	129.4	129.6
Tobacco products	171.9	194.8	221.4	236.1	254.4	255.0	254.7	255.0	255.3	267.1
Intermediate materials 2/	107.1	112.0	114.5	116.7	114.0	114.2	114.5	114.1	114.1	113.7
Materials for food manufacturing	106.0	112.7	117.9	116.3	115.3	115.3	114.5	115.3	114.4	114.6
Flour	105.7	114.6	103.8	92.6	93.6	96.4	98.2	102.8	104.9	109.6
Refined sugar 3/	108.9	118.2	122.7	122.4	121.4	121.4	121.4	121.2	121.0	120.8
Crude vegetable oils	118.6	103.1	115.8	111.4	96.1	100.5	100.9	100.7	95.4	85.9
Crude materials 4/	96.0	103.1	108.9	110.5	99.5	99.1	98.0	99.8	99.7	97.7
Foodstuffs & feedstuffs	106.1	111.2	113.1	107.9	105.1	102.7	102.9	102.5	101.8	101.9
Fruits & vegetables 5/	108.5	114.6	117.5	108.7	123.4	110.9	107.0	97.2	108.0	88.2
Grains	97.9	108.4	97.4	87.0	84.3	93.2	92.4	95.3	96.4	97.7
Livestock	103.3	106.1	115.6	114.3	110.2	100.7	101.1	100.9	96.8	97.7
Poultry, live	121.5	128.8	118.8	104.2	119.2	120.4	116.7	109.1	106.8	105.1
Fibers, plant & animal	98.4	107.8	117.8	116.9	120.2	106.7	103.5	96.3	90.3	89.7
Fluid milk	89.4	98.8	100.8	85.8	86.6	91.8	93.3	96.0	99.2	100.5
Oilseeds	134.0	123.8	112.1	115.2	99.3	104.2	107.0	102.1	102.9	103.0
Tobacco, leaf	87.2	93.8	95.8	98.9	99.6	96.5	102.8	103.5	98.3	104.8
Sugar, raw cane	111.9	115.5	119.2	117.9	112.6	114.1	114.4	114.2	114.3	113.5
All commodities	106.9	112.2	116.3	118.7	118.0	116.2	116.0	116.4	116.4	115.9
Industrial commodities	106.3	111.6	115.8	119.0	116.0	116.3	116.2	116.6	116.7	116.1
All foods 6/	111.5	117.8	123.2	122.5	122.7	121.4	120.7	121.1	121.1	120.2
Farm products & processed foods & feeds	110.0	115.4	118.6	116.8	116.3	115.2	115.0	115.0	114.8	114.5
Farm products	104.9	110.9	112.2	107.2	105.2	102.9	102.8	101.2	101.4	100.7
Processed foods & feeds 6/	112.7	117.8	121.9	121.7	121.8	121.4	121.1	122.0	121.5	121.4
Cereal & bakery products	123.0	131.1	134.2	134.6	137.1	138.3	138.8	139.7	141.0	141.9
Sugar & confectionery	114.7	120.1	123.1	124.7	130.3	129.4	130.8	128.5	128.7	128.7
Beverages	114.3	118.4	120.8	121.1	123.8	123.2	123.1	123.2	123.3	122.9

1/ Commodities ready for sale to ultimate consumer. 2/ Commodities requiring further processing to become finished goods. 3/ All types & sizes of refined sugar. 4/ Products entering market for the first time that have not been manufactured at that point. 5/ Fresh & dried. 6/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). R = revised.

Information contact: Ann Duncan (202) 219-0313.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1990						
	1989	1990	1991	Dec	July	Aug	Sept	Oct	Nov	Dec
Market basket 1/										
Retail cost (1982-84=100)	124.6	133.5	137.4	135.4	137.7	136.8	136.6	135.9	136.6	137.2
Farm value (1982-84=100)	107.1	113.1	108.1	108.6	107.0	104.3	102.8	101.4	101.7	101.3
Farm-retail spread (1982-84=100)	134.1	144.5	154.2	150.8	154.2	154.2	154.7	154.5	155.4	156.8
Farm value-retail cost (%)	30.1	29.7	27.0	27.6	27.2	26.7	26.4	26.1	26.1	25.8
Meat products										
Retail cost (1982-84=100)	116.7	128.5	132.5	133.6	133.1	132.9	131.9	131.3	131.5	130.8
Farm value (1982-84=100)	103.6	116.8	110.0	114.5	112.8	108.6	102.9	103.3	98.1	97.8
Farm-retail spread (1982-84=100)	130.2	140.4	155.6	153.2	153.9	157.8	161.7	160.0	165.8	164.7
Farm value-retail cost (%)	44.9	46.0	42.0	43.4	42.9	41.4	39.5	39.8	37.8	37.9
Dairy products										
Retail cost (1982-84=100)	115.6	126.5	125.1	126.7	124.0	124.5	125.3	125.7	126.2	127.4
Farm value (1982-84=100)	99.1	101.7	90.0	88.3	87.8	80.5	92.1	95.9	98.2	100.8
Farm-retail spread (1982-84=100)	130.8	149.5	157.5	162.1	157.4	155.8	155.9	163.2	162.0	152.0
Farm value-retail cost (%)	41.1	38.5	34.5	33.4	34.0	34.9	35.3	36.6	37.3	37.9
Poultry										
Retail cost (1982-84=100)	132.7	132.5	131.5	129.7	132.5	132.4	131.0	131.0	129.3	130.2
Farm value (1982-84=100)	117.1	107.6	102.5	95.3	107.7	107.2	106.5	103.1	99.6	98.4
Farm-retail spread (1982-84=100)	150.6	161.1	164.9	169.3	161.0	161.4	159.3	163.1	163.5	166.8
Farm value-retail cost (%)	47.2	43.5	41.7	39.3	43.5	43.3	43.5	42.1	41.2	40.4
Eggs										
Retail cost (1982-84=100)	118.5	124.1	121.2	126.7	113.9	121.0	118.0	118.8	115.4	123.5
Farm value (1982-84=100)	107.5	108.0	100.9	120.8	96.6	95.4	93.7	95.0	94.5	109.8
Farm-retail spread (1982-84=100)	136.1	153.2	157.6	142.8	145.0	167.0	161.7	155.9	152.9	148.1
Farm value-retail cost (%)	58.3	65.9	53.5	60.3	54.5	50.6	61.0	62.3	62.6	57.1
Cereal & bakery products										
Retail cost (1982-84=100)	132.4	140.0	145.8	142.4	145.8	148.5	146.5	146.9	147.5	147.4
Farm value (1982-84=100)	101.7	90.5	85.3	78.6	80.9	82.8	87.1	91.0	91.9	95.4
Farm-retail spread (1982-84=100)	136.7	146.9	154.3	151.3	154.9	155.4	154.8	154.7	155.3	154.7
Farm value-retail cost (%)	9.4	7.9	7.2	6.8	6.8	6.9	7.3	7.6	7.6	7.9
Fresh fruits										
Retail cost (1982-84=100)	154.7	174.6	200.1	176.6	203.8	195.9	203.0	194.6	190.8	196.9
Farm value (1982-84=100)	108.5	128.3	175.8	133.2	174.6	165.9	178.0	145.4	150.8	144.1
Farm-retail spread (1982-84=100)	176.0	195.9	211.3	196.6	217.3	209.8	215.5	217.3	209.3	221.3
Farm value-retail cost (%)	22.2	23.2	27.7	23.8	27.1	26.7	27.4	23.6	25.0	23.1
Fresh vegetables										
Retail cost (1982-84=100)	143.1	151.1	154.4	144.0	157.7	142.2	137.6	134.0	149.6	150.7
Farm value (1982-84=100)	123.3	124.4	110.8	105.3	119.2	93.0	91.6	76.7	115.7	82.4
Farm-retail spread (1982-84=100)	153.2	164.9	178.8	163.9	177.5	167.5	151.2	163.5	167.0	165.8
Farm value-retail cost (%)	29.3	28.0	24.4	24.8	25.7	22.2	22.8	19.4	26.3	18.6
Processed fruits & vegetables										
Retail cost (1982-84=100)	125.0	132.7	130.2	131.6	129.9	129.8	129.8	129.8	129.7	129.7
Farm value (1982-84=100)	132.4	144.0	120.6	140.7	119.7	119.7	119.3	118.2	118.2	128.8
Farm-retail spread (1982-84=100)	122.7	129.1	133.2	128.8	133.1	133.0	133.1	133.1	133.9	130.0
Farm value-retail cost (%)	25.2	25.8	22.0	25.4	21.9	21.9	21.9	21.7	21.3	23.6
Fats & oils										
Retail cost (1982-84=100)	121.2	126.3	131.7	131.0	131.6	132.1	131.1	131.7	129.8	129.3
Farm value (1982-84=100)	95.6	107.1	97.7	104.6	93.8	94.5	95.2	92.4	90.4	91.0
Farm-retail spread (1982-84=100)	130.6	133.4	144.3	140.7	145.5	145.9	144.3	148.1	144.3	143.4
Farm value-retail cost (%)	21.2	22.8	19.9	21.5	19.2	19.2	19.5	18.9	18.7	18.9
	Annual			1991						
	1989	1990	1991	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Beef, Choice										
Retail price 2/ (cts./lb.)	265.7	281.0	288.3	294.9	285.4	280.1	277.2	281.0	279.4	278.7
Wholesale value 3/ (cts.)	176.8	189.6	182.5	192.6	172.2	170.8	174.5	175.1	171.8	176.6
Net farm value 4/ (cts.)	157.6	168.4	160.2	170.2	145.1	146.8	149.8	152.5	149.2	155.2
Farm-retail spread (cts.)	108.1	112.6	128.1	124.7	140.3	133.3	127.4	128.5	130.2	123.5
Wholesale-retail 5/ (cts.)	88.9	91.4	105.8	102.3	113.2	109.3	102.7	105.9	107.6	102.1
Farm-wholesale 6/ (cts.)	19.2	21.2	22.3	22.4	27.1	24.0	24.7	22.6	22.6	21.4
Farm value-retail price (%)	59	60	56	58	51	52	54	54	53	56
Pork										
Retail price 2/ (cts./lb.)	182.9	212.6	211.9	216.1	214.2	211.9	207.7	205.1	200.9	198.7
Wholesale value 3/ (cts.)	99.2	118.3	108.9	109.7	111.5	107.1	104.6	97.6	98.3	93.6
Net farm value 4/ (cts.)	70.4	87.2	78.4	81.4	81.2	74.7	69.4	60.6	62.1	59.2
Farm-retail spread (cts.)	112.5	125.4	133.5	134.7	133.0	137.2	138.3	144.5	138.8	139.5
Wholesale-retail 5/ (cts.)	83.7	94.3	103.0	106.4	102.7	104.8	103.1	107.5	102.6	105.1
Farm-wholesale 6/ (cts.)	28.8	31.1	30.5	28.3	30.3	32.4	35.2	37.0	36.2	34.4
Farm value-retail price (%)	38	41	37	38	38	35	33	30	31	30

1/ Retail costs are based on CPI-U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm-retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, and in-city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219-0870, Larry Duewer (202) 219-0712.

Livestock & Products

Table 10.—U.S. Meat Supply & Use

	Beg. stocks	Produc- tion 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
Million pounds 4/							Pounds		
Beef									
1989	422	23,087	2,179	25,688	1,023	335	24,330	69.3	73.86
1990	335	22,743	2,356	25,434	1,006	397	24,031	67.8	78.56
1991	397	22,906	2,360	25,665	1,185	390	24,090	67.3	74.28
1992 F	375	23,159	2,310	25,859	1,275	325	24,259	67.2	70-76
Pork									
1989	437	15,813	896	17,146	262	313	16,571	52.0	44.03
1990	313	15,354	898	16,565	239	296	16,030	49.8	54.45
1991	296	16,002	794	17,092	271	396	16,425	50.5	48.88
1992 F	396	16,979	830	18,205	280	375	17,550	53.5	38-44
Veal 5/									
1989	.5	355	0	350	0	4	356	1.2	91.84
1990	4	327	0	331	0	6	325	1.1	96.51
1991	6	307	0	313	0	6	307	1.0	99.95
1992 F	6	280	0	286	0	4	282	0.9	88-94
Lamb & mutton									
1989	6	347	63	416	2	8	406	1.5	67.32
1990	8	363	59	430	3	8	419	1.5	55.54
1991	8	364	61	431	3	7	423	1.5	53.21
1992 F	7	368	60	435	3	9	423	1.5	49-55
Total red meat									
1989	870	39,602	3,138	43,610	1,287	660	41,663	124.0	—
1990	660	38,767	3,313	42,760	1,248	707	40,805	120.1	—
1991	707	36,581	3,215	43,503	1,459	799	41,245	120.3	—
1992 F	799	40,786	3,200	44,785	1,558	713	42,514	123.1	—
Broilers									
1989	36	17,424	0	17,460	814	38	16,608	67.1	59.0
1990	38	18,660	0	18,698	1,143	26	17,529	70.1	54.8
1991	26	19,827	0	19,853	1,210	33	18,610	73.7	52.03
1992 F	33	20,698	0	20,731	1,180	35	19,516	76.7	47-53
Mature chicken									
1989	157	568	0	725	24	189	511	2.1	—
1990	189	588	0	777	25	224	528	2.1	—
1991	224	569	0	793	28	268	498	2.0	—
1992 F	268	576	0	844	26	230	588	2.3	—
Turkeys									
1989	250	4,285	0	4,535	41	236	4,259	17.2	66.7
1990	236	4,734	0	4,970	54	306	4,610	18.4	63.2
1991	306	4,857	0	5,163	98	258	4,807	19.0	61.24
1992 F	258	4,977	0	5,235	100	250	4,885	19.2	57-63
Total poultry									
1989	442	22,278	0	22,720	878	463	21,378	86.4	—
1990	463	23,982	0	24,445	1,222	557	22,666	90.7	—
1991	557	25,253	0	25,810	1,335	559	23,915	94.7	—
1992 F	559	26,251	0	26,810	1,306	515	24,989	98.2	—
Red meat & poultry									
1989	1,312	61,880	3,138	66,330	2,165	1,123	63,042	210.4	—
1990	1,123	62,769	3,313	67,205	2,470	1,264	63,471	210.8	—
1991	1,264	64,834	3,215	69,313	2,794	1,358	65,160	215.0	—
1992 F	1,358	67,037	3,200	71,595	2,864	1,228	67,503	221.3	—

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.5) 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium # 1, Nebraska Direct 1,100-1,300 lb.; pork: barrows & gilts, 7 markets; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 8-16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning 1989 veal trade no longer reported separately. F = forecast — = not available.

Information contacts: Polly Cochran, or Maxine Davis (202) 219-0767.

Table 11.—U.S. Egg Supply & Use

	Beg. stocks	Pro- duc- tion	Im- ports	Total supply	Ex- ports	Hatch- ing use	Ending stocks	Consumption		Wholesale price*
								Total	Per capita	
Million dozen										
1987	10.4	5,888.2	5.8	5,884.2	111.2	599.1	14.4	5,159.5	254.9	61.6
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	246.8	62.1
1989	15.2	5,598.2	25.2	5,638.5	91.6	643.9	10.7	4,892.4	237.3	81.9
1990	10.7	5,665.3	9.1	5,685.0	100.5	677.1	11.6	4,895.8	235.0	82.2
1991	11.6	5,757.5	2.2	5,771.3	151.6	705.1	11.8	4,902.8	233.1	77.5
1992 F	11.8	5,790.0	2.4	5,804.2	142.0	740.0	12.0	4,910.2	231.6	71-77

* Cartoned grade A large eggs, New York. F = forecast.

Information contact: Maxine Davis (202) 219-0767.

Table 12.—U.S. Milk Supply & Use

	Production	Farm use	Commercial		Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals		
			Farm market-ings	Beg. stock			Ending stocks	Disap-pear-ance		Skim solids basis	Total solids basis 2/	
			Billion pounds (milkfat basis)									
				Imports					\$/cwt	Billion pounds		
1984	135.4	2.9	132.4	5.1	2.7	140.2	8.7	4.8	126.7	12.48	12.4	10.9
1985	143.0	2.5	140.6	4.8	2.8	148.2	13.3	4.5	130.4	12.76	17.2	15.6
1986	143.1	2.4	140.7	4.5	2.7	147.9	10.8	4.1	133.0	12.61	14.3	12.9
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.0	135.7	12.54	9.3	8.3
1988	145.2	2.2	142.9	4.0	2.4	149.9	9.1	4.3	138.5	12.26	6.5	6.9
1989	144.2	2.1	142.2	4.3	2.5	149.0	9.4	4.1	135.5	13.56	0.4	4.0
1990	148.3	2.0	146.3	4.1	2.7	153.1	9.0	5.1	139.0	13.73	1.6	4.6
1991	148.5	2.0	146.5	5.1	2.6	154.2	10.5	4.5	139.2	12.13	4.0	6.6

1/ Delivered to plants & dealers; does not reflect deductions. 2/ Arbitrarily weighted average of milkfat basis (40 percent) & skim solids basis (60 percent). F = forecast.

Information contact: Jim Miller (202) 219-0770.

Table 13.—Poultry & Eggs

	Annual			1990		1991					
	1989	1990	1991	Dec	July	Aug	Sept	Oct	Nov	Dec	
Broilers											
Federally inspected slaughter, certified (mil. lb.)	17,334.2	18,553.9	19,707.0	1,437.0	1,747.7	1,758.2	1,585.3	1,825.7	1,496.3	1,598.0	P
Wholesale price, 12-city (cts./lb.)	59.0	54.8	52.0	49.6	54.3	54.6	53.6	51.0	50.3	49.5	
Price of grower feed (\$/ton)	237.0	218.3	208.0	213	204	202	201	207	211	207	
Broiler-feed price ratio 1/	3.0	3.0	2.7	2.7	3.2	3.2	3.2	3.0	2.8	2.8	
Stocks beginning of period (mil. lb.)	35.9	38.3	28.1	27.7	41.9	44.4	40.1	40.3	38.4	37.0	
Broiler-type chicks hatched (mil.) 2/	5,946.9	6,314.6	6,570.1	547.5	561.4	558.5	532.8	527.5	508.0	569.7	
Turkeys											
Federally inspected slaughter, certified (mil. lb.)	4,174.8	4,560.9	4,879.0	328.7	412.8	424.2	405.9	483.6	418.6	352.8	P
Wholesale price, Eastern U.S., 8-18 lb. young hens (cts./lb.)	66.7	63.2	61.2	56.1	63.4	64.7	64.4	60.5	63.1	65.2	
Price of turkey grower feed (\$/ton)	251.0	238	235	238	229	226	230	243	242	241	
Turkey-feed price ratio 1/	3.2	3.2	3.3	3.1	3.5	3.6	3.5	3.2	3.3	3.4	
Stocks beginning of period (mil. lb.)	249.7	235.9	306.4	338.4	503.1	571.3	625.8	667.2	653.0	306.5	
Poults placed in U.S. (mil.)	290.7	304.8	308.0	22.8	28.8	25.6	21.1	22.1	22.2	24.4	
Eggs											
Farm production (mil.)	67,178	67,983	69,090	5,875	5,814	5,824	5,651	5,898	5,769	6,007	
Average number of layers (mil.)	269	270	274	272	272	272	274	276	277	279	
Rate of lay (eggs per layer on farms)	249.5	251.7	252.4	21.6	21.4	21.4	20.7	21.4	20.9	21.5	
Cartoned price, New York, grade A large (cts./doz.) 3/	81.9	82.2	77.5	92.5	79.6	76.3	75.5	74.5	75.8	80.0	
Price of laying feed (\$/ton)	209	200	195	199	188	188	188	199	200	199	
Egg-feed price ratio 1/	6.7	7.0	6.9	7.7	6.9	6.8	6.7	6.4	6.4	7.2	
Stocks, first of month											
Shell (mil. doz.)	0.27	0.36	0.45	0.48	0.39	0.39	0.30	0.39	0.48	0.39	
Frozen (mil. doz.)	14.9	19.3	11.2	13.0	10.8	13.7	12.4	12.5	12.7	11.5	
Replacement chicks hatched (mil.)	383	399	418	31.3	34.7	33.3	33.9	33.7	30.3	32.7	

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 16 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers. P = preliminary.

Information contact: Maxine Davis (202) 219-0767.

Table 14.—Dairy

	Annual			1990		1991				
	1989	1990	1991	Dec	July	Aug	Sept	Oct	Nov	Dec
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	12.37	12.21	11.05	10.19	10.99	11.50	12.02	12.50	12.48	12.10
Wholesale prices										
Butter, grade A Chl. (cts./lb.)	127.9	102.1	99.3	98.0	98.9	98.9	100.7	106.2	104.8	98.4
Am. cheese, Wts. assembly pt. (cts./lb.)	138.8	138.7	124.4	112.7	128.4	138.1	139.7	140.2	135.8	130.2
Nonfat dry milk (cts./lb.) 2/	105.5	100.8	94.0	86.2	92.2	92.2	93.9	114.8	110.7	108.5
USDA net removals										
Total milk equiv. (mil. lb.) 3/	9,357.0	8,951.2	—	831.9	339.2	37.8	181.1	—	—	—
Butter (mil. lb.)	413.4	400.3	—	30.5	6/ 15.9	6/ 1.7	6/ 8.5	—	—	—
Am. cheese (mil. lb.)	37.4	21.6	—	17.0	—0.5	0	—0.7	—	—	—
Nonfat dry milk (mil. lb.)	0	117.8	—	42.8	6/ —0.5	6/ 2.6	6/ 7.4	—	—	—
Milk										
Milk prod. 21 States (mil. lb.)	122,509	125,772	125,883	10,489	10,472	10,352	9,927	10,212	9,926	10,418
Milk per cow (lb.)	14,369	14,778	14,977	1,225	1,254	1,239	1,189	1,224	1,192	1,252
Number of milk cows (1,000)	8,528	8,512	8,392	8,548	8,353	8,357	8,350	8,348	8,329	8,322
U.S. milk production (mil. lb.)	144,239	148,319	148,535	7/ 12,375	7/ 12,350	7/ 12,208	7/ 11,707	7/ 12,102	7/ 11,763	7/ 12,346
Stock, beginning										
Total (mil. lb.)	8,379	9,039	13,359	13,026	19,519	19,414	18,585	17,498	16,602	15,889
Commercial (mil. lb.)	4,256	4,120	5,146	5,033	5,158	5,190	5,604	5,207	4,668	4,284
Government (mil. lb.)	4,122	4,918	7,933	7,993	13,383	13,225	12,981	12,290	11,935	11,622
Imports, total (mil. lb.) 3/	2,499	2,690	—	208	234	231	224	261	246	—
Commercial disappearance (mil. lb.)	135,439	138,984	—	11,464	12,037	12,813	11,989	12,495	12,008	—
Butter										
Production (mil. lb.)	1,295.4	1,302.2	1,380.3	121.2	88.9	85.0	84.7	105.2	108.5	130.1
Stocks, beginning (mil. lb.)	214.7	256.2	410.1	407.8	665.8	665.0	633.2	592.3	567.1	543.0
Commercial disappearance (mil. lb.)	876.0	915.2	—	90.2	68.0	105.5	87.1	98.4	106.4	—
American cheese										
Production (mil. lb.)	2,874.1	2,890.8	2,778.9	248.2	225.0	224.5	205.8	221.6	214.9	248.1
Stocks, beginning (mil. lb.)	293.0	236.2	347.4	334.8	412.4	404.0	393.3	375.0	338.7	320.3
Commercial disappearance (mil. lb.)	2,683.1	2,781.0	—	225.7	237.8	232.5	223.6	255.5	233.5	—
Other cheese										
Production (mil. lb.)	2,941.3	3,170.4	3,229.3	273.9	284.9	299.2	270.7	286.3	282.1	292.0
Stocks, beginning (mil. lb.)	104.7	93.2	110.6	102.9	107.7	108.7	102.0	103.9	91.5	89.8
Commercial disappearance (mil. lb.)	3,208.9	3,429.8	—	288.6	288.4	301.2	292.7	328.4	311.8	—
Nonfat dry milk										
Production (mil. lb.)	874.7	876.8	879.0	81.2	89.8	58.8	44.5	48.9	54.1	81.7
Stocks, beginning (mil. lb.)	53.1	49.5	181.9	143.8	342.8	349.7	337.5	302.6	277.7	225.9
Commercial disappearance (mil. lb.)	873.0	895.0	—	38.7	68.0	56.4	67.2	50.1	44.3	—
Frozen dessert										
Production (mil. gal.) 4/	1,214.0	1,182.9	1,193.0	72.9	126.4	118.1	98.4	92.0	76.1	78.5
	Annual			1990		1991				
	1989	1990	1991	II	III	IV	I	II	III	IV P
Milk production (mil. lb.)	144,239	148,319	148,535	38,640	38,811	38,307	37,425	38,833	38,265	38,211
Milk per cow (lb.)	14,244	14,848	14,858	3,822	3,818	3,577	3,705	3,864	3,848	3,650
No. of milk cows (1,000)	10,126	10,127	9,990	10,109	10,118	10,151	10,101	9,999	9,940	9,918
Milk-feed price ratio 5/	1.65	1.71	1.58	1.69	1.74	1.57	1.49	1.47	1.59	1.77
Returns over concentrate 6/ costs (\$/cwt milk)	10.18	10.39	9.00	10.00	10.50	9.03	8.30	8.10	9.00	10.50

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Milk equivalent, fat basis. 4/ Hard ice cream, ice milk, & hard sherbet. 5/ Based on average milk price after adjustment for price support deductions. 6/ Includes estimates of butteroil exported through the Dairy Export Incentive Program (DEIP). 7/ Estimated. P = preliminary. — = not available.

Information contact: LaVerne T. Williams (202) 219-0770.

Table 15.—Wool

	Annual			1990		1991			
	1989	1990	1991	III	IV	I	II	III	IV
U.S. wool price, (cts./lb.) 1/	370	256	199	236	227	197	200	217	182
Imported wool price, (cts./lb.) 2/	354	287	187	281	270	235	199	194	222
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	120,534	120,622	143,519	26,888	30,497	33,320	38,591	35,910	35,598
Carpet wool (1,000 lb.)	14,122	12,124	14,363	3,125	2,138	3,088	3,119	4,564	3,592

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2-3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. — = not available.

Information contact: John Lawler (202) 219-0840.

Table 16.—Meat Animals

	Annual			1990						
	1989	1990	1991	Dec	July	Aug	Sept	Oct	Nov	Dec
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,045	8,378	8,892	9,039	7,877	7,388	7,084	7,216	8,013	8,477
Placed on feed (1,000 head)	20,834	21,030	19,708	1,433	1,327	1,459	1,826	2,539	1,917	1,460
Marketings (1,000 head)	19,422	19,198	19,066	1,359	1,724	1,716	1,598	1,665	1,376	1,443
Other disappearance (1,000 head)	1,079	1,218	1,230	121	62	87	76	77	77	77
Beef steer-corn price ratio, Omaha 2/	30.3	32.8	31.6	36.5	31.3	28.5	28.8	29.9	30.5	29.7
Hog-corn price ratio, Omaha 2/	18.4	23.1	21.1	22.0	24.2	21.8	19.9	18.9	16.5	16.8
Market prices (\$/cwt)										
Slaughter cattle										
Choice steers, Omaha 1,000-1,100 lb.	72.52	77.40	73.83	80.88	72.08	67.25	67.20	68.91	69.90	68.64
Choice steers, Neb. Direct, 1,100-1,300 lb.	73.86	78.58	74.28	81.42	72.15	67.24	68.07	69.79	71.02	69.07
Boning utility cows, Sioux Falls	48.98	63.60	50.31	50.35	52.41	50.08	49.77	47.83	43.77	47.22
Feeder cattle										
Medium no. 1, Oklahoma City 600-700 lb.	86.66	92.15	92.74	95.67	95.81	90.08	89.74	88.60	86.60	83.08
Slaughter hogs										
Barrows & gilts, 7-markets	44.03	54.45	48.88	48.15	55.22	50.78	46.53	43.18	37.82	38.55
Feeder pigs										
S. Mo. 40-50 lb. (per head)	33.63	51.46	39.84	49.83	40.98	38.53	38.22	33.75	30.22	28.17
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	57.32	55.54	52.73	48.08	55.50	54.31	53.25	51.20	52.08	54.92
Ewes, Good, San Angelo	38.58	35.21	31.98	34.67	34.63	31.06	29.83	28.80	30.75	32.62
Feeder lambs										
Choice, San Angelo	79.85	82.95	53.27	59.17	51.81	53.38	52.63	51.70	52.75	54.75
Wholesale meat prices, Midwest										
Boxed beef cut-out value	114.78	123.21	118.31	129.48	115.82	111.54	110.61	113.04	113.43	111.18
Canner & cutter cow beef	94.43	99.98	99.44	97.32	101.89	101.23	99.69	98.18	91.06	93.02
Pork loins, 14-18 lb. 3/	101.09	117.52	108.39	103.50	121.73	117.54	105.85	100.87	88.63	90.19
Pork bellies, 12-14 lb.	34.14	53.80	47.79	56.58	60.40	42.01	38.97	32.26	30.04	28.79
Hams, skinned, 14-17 lb.	69.39	87.70	81.80	88.13	85.00	85.00	85.00	87.25	81.00	84.00
All fresh beef retail price 4/	238.97	254.99	262.12	265.75	263.39	261.56	258.23	259.12	261.46	261.66
Commercial slaughter (1,000 head)*										
Cattle	33,917	33,242	32,687	2,453	2,844	2,906	2,703	2,933	2,579	2,562
Steers	18,539	18,567	16,732	1,227	1,515	1,543	1,388	1,465	1,264	1,299
Heifers	10,405	10,090	9,719	695	883	693	852	882	736	700
Cows	6,318	5,920	5,623	486	415	415	414	525	531	519
Bulls & stags	857	844	814	45	51	55	51	61	48	44
Calves	2,172	1,789	1,442	140	111	112	119	131	128	134
Sheep & lambs	5,455	5,654	5,714	465	451	458	477	523	497	480
Hogs	88,691	85,135	88,163	7,355	6,733	7,279	7,359	8,498	7,941	7,926
Commercial production (mil. lb.)										
Beef	22,974	22,634	22,799	1,681	1,996	2,077	1,939	2,115	1,813	1,782
Veal	344	318	296	27	22	22	24	27	26	27
Lamb & mutton	341	357	359	30	28	27	29	32	29	31
Pork	15,759	15,299	15,948	1,342	1,207	1,299	1,315	1,534	1,456	1,444

	Annual			1990			1991			
	1989	1990	1991	II	III	IV	I	II	III	IV
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	9,688	9,943	10,827	10,083	8,781	9,062	10,827	10,739	9,461	8,620
Placed on feed (1,000 head)	24,469	24,803	23,212	5,041	6,358	7,401	5,702	5,006	5,414	7,090
Marketings (1,000 head)	22,940	22,526	22,388	5,943	5,796	5,289	5,328	5,820	5,973	5,267
Other disappearance (1,000 head)	1,274	1,393	1,514	400	281	347	462	464	282	306
Hogs & pigs (10 States) 5/										
Inventory (1,000 head) 1/	43,210	42,200	42,900	40,190	42,630	44,120	42,900	41,990	44,520	46,900
Breeding (1,000 head) 1/	5,335	5,275	5,257	5,245	5,405	5,300	5,257	5,450	5,720	5,675
Market (1,000 head) 1/	37,875	36,925	37,643	34,945	37,225	38,820	37,643	36,540	38,800	41,225
Farrowings (1,000 head)	9,203	8,960	9,479	2,458	2,238	2,238	2,129	2,588	2,441	2,323
Pig crop (1,000 head)	71,807	70,589	75,035	19,576	17,684	17,459	19,770	20,632	19,278	18,355

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live weight. 3/ Prior to 1984, 8-14 lb.; 1984 & 1985, 14-17 lb.; beginning 1986, 14-19 lb. 4/ New series estimating the composite price of all beef grades & ground beef sold by retail stores. This new series is in addition to, but does not replace, the series for the retail price of Choice beef that appears in table 8. 5/ Quarters are Dec. of preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), & Sept.-Nov. (IV). * Classes estimated. May not add to NASS totals due to rounding. — = not available.

Information contact: Polly Cochran (202) 219-0767.

Crops & Products

Table 17.—Supply & Utilization^{1,2}

	Area		Harvested	Yield	Production	Total supply	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price
	Set aside	Planted										
	3/					4/						5/
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
Wheat												
1986/87	21.0	72.0	50.7	34.4	2,081	4,017	401	796	999	2,196	1,821	2.42
1987/88	23.9	65.8	55.9	37.7	2,108	3,945	280	806	1,598	2,684	1,281	2.57
1988/89	22.5	65.5	53.2	34.1	1,812	3,096	146	829	1,419	2,394	702	3.72
1989/90*	9.6	76.6	82.2	32.7	2,037	2,762	139	853	1,233	2,225	536	3.72
1990/91*	7.5	77.2	69.3	39.5	2,736	3,309	499	888	1,068	2,443	866	2.61
1991/92*	15.2	69.9	57.7	34.3	1,981	2,882	350	867	1,275	2,492	390	3.00-3.10
Rice												
	Mil. acres		Lb./acre					Mil. cwt (rough equiv.)				\$/cwt
1986/87	1.48	2.38	2.36	5,651	133.4	213.3	—	8/ 77.7	84.2	161.9	51.4	3.75
1987/88	1.57	2.38	2.33	5,555	129.6	184.0	—	8/ 80.4	72.2	152.6	31.4	7.27
1988/89	1.09	2.93	2.90	5,514	159.9	195.1	—	8/ 82.5	85.9	168.4	26.7	6.83
1989/90*	1.18	2.73	2.69	5,749	154.5	185.6	—	8/ 82.1	77.2	159.3	28.3	7.35
1990/91*	1.04	2.90	2.82	5,529	156.1	187.2	—	8/ 91.7	70.9	162.6	24.8	6.70
1991/92*	0.65	2.86	2.75	5,617	154.5	184.2	—	8/ 95.3	60.0	155.3	26.9	7.20-7.60
Corn												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	14.3	76.0	58.9	119.4	8,226	12,267	4,669	1,224	1,492	7,385	4,862	1.50
1987/88	23.1	66.2	59.5	119.8	7,131	12,016	4,798	1,243	1,716	7,757	4,259	1.84
1988/89	20.6	67.7	68.3	84.6	4,929	9,191	3,941	1,293	2,026	7,260	1,930	2.54
1989/90*	10.8	72.2	64.7	116.3	7,525	9,458	4,389	1,358	2,368	8,113	1,344	2.36
1990/91*	10.7	74.2	67.0	118.5	7,934	9,282	4,869	1,367	1,725	7,761	1,521	2.28
1991/92*	7.3	76.0	68.8	108.6	7,474	9,016	5,000	1,400	1,625	7,925	1,091	2.30-2.80
Sorghum												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	2.9	16.3	13.9	67.7	939	1,490	536	12	198	746	743	1.37
1987/88	4.1	11.8	10.5	69.4	731	1,474	555	25	232	812	663	1.70
1988/89	3.9	10.3	9.0	63.8	577	1,239	466	22	312	800	440	2.27
1989/90*	3.3	12.6	11.1	66.4	615	1,055	518	15	303	835	220	2.10
1990/91*	3.3	10.5	9.1	63.1	573	793	405	14	232	661	143	2.12
1991/92*	2.3	11.0	9.8	59.0	579	722	390	15	200	605	117	2.25-2.55
Barley												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	2.0	13.0	12.0	50.8	609	942	298	175	134	606	336	1.81
1987/88	2.9	10.9	10.0	52.4	521	869	253	174	121	548	321	1.81
1988/89	2.8	9.8	7.8	38.0	290	622	171	175	79	425	196	2.80
1989/90*	2.3	9.1	8.3	48.8	404	614	193	175	84	453	161	2.42
1990/91*	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92*	2.0	8.9	8.4	55.2	464	620	215	175	85	475	145	2.05-2.15
Oats												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	0.5	14.7	6.8	56.3	385	601	385	83	1	468	133	1.21
1987/88	0.8	17.9	6.9	54.3	374	552	358	81	1	440	112	1.58
1988/89	0.3	13.9	5.5	39.3	218	393	194	100	1	294	88	2.81
1989/90*	0.4	12.1	6.9	54.3	374	538	266	115	1	381	167	1.49
1990/91*	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92*	0.5	8.6	4.8	50.6	243	474	245	125	1	371	103	1.15-1.25
Soybeans												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	0	60.4	58.3	33.3	1,843	2,479	7/ 106	1,179	757	2,042	436	4.78
1987/88	0	58.2	57.2	33.9	1,936	2,375	7/ 97	1,174	802	2,073	302	5.88
1988/89	0	58.8	57.4	27.0	1,549	1,855	7/ 88	1,058	527	1,873	182	7.42
1989/90*	0	60.8	59.5	32.3	1,924	2,109	7/ 101	1,146	823	1,870	239	5.98
1990/91*	0	57.8	56.5	34.0	1,926	2,167	7/ 94	1,187	557	1,838	329	5.75
1991/92*	0	59.1	58.0	34.3	1,986	2,320	7/ 95	1,235	665	1,995	325	5.25-5.75
Soybean oil												
								Mil. lbs.				¢/Cts./lb.
1986/87	—	—	—	—	12,783	13,745	—	10,833	1,187	12,020	1,725	15.40
1987/88	—	—	—	—	12,974	14,895	—	10,930	1,873	12,803	2,092	22.67
1988/89	—	—	—	—	11,737	13,967	—	10,591	1,661	12,252	1,715	21.10
1989/90*	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91*	—	—	—	—	13,408	14,730	—	12,164	760	12,944	1,786	21.00
1991/92*	—	—	—	—	13,955	15,750	—	12,100	1,250	13,350	2,400	17.5-20.0
Soybean meal												
								1,000 tons				¢/¢ton
1986/87	—	—	—	—	27,758	27,970	—	20,387	7,343	27,730	240	163
1987/88	—	—	—	—	28,060	28,300	—	21,293	6,854	28,147	153	222
1988/89	—	—	—	—	24,943	25,100	—	19,657	5,270	24,927	173	233
1989/90*	—	—	—	—	27,719	27,900	—	22,558	5,024	27,582	318	174
1990/91*	—	—	—	—	28,325	28,668	—	23,257	5,124	28,381	285	170
1991/92*	—	—	—	—	29,210	29,600	—	23,250	6,000	29,250	250	165-180

See footnotes at end of table.

Table 17.—Supply & Utilization, continued

	Area		Harvested	Yield	Production	Total supply ^{4/}	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price ^{5/}
	Set Aside ^{3/}	Planted										
	Mil. acres		Lb./acre		Mil. bales							
Cotton 10/												
1986/87	4.2	10.0	8.5	552	9.7	19.1	—	7.5	6.7	14.1	5.0	52.40
1987/88	4.0	10.4	10.0	706	14.8	19.8	—	7.6	6.6	14.2	5.8	64.30
1988/89	2.2	12.5	11.9	619	15.4	21.2	—	7.8	6.1	13.9	7.1	56.60
1989/90*	3.5	10.8	9.5	614	12.2	19.3	—	8.8	7.7	16.5	3.0	66.20
1990/91*	2.0	12.3	11.7	634	15.5	18.5	—	8.7	7.8	16.5	2.3	68.20
1991/92*	0.9	14.1	12.8	656	17.5	19.0	—	9.1	6.8	15.9	4.1	11/ 83.20

* February 11, 1992 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybeans, corn, & sorghum, October 1 for soybean meal & soy oil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9298 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.56 480-pound bales of cotton. 3/ Includes diversion, PIK, acreage reduction, 50-62, & 0-62 programs. Data for 1991/92 are preliminary. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 44 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August–November; not a projection for the marketing year. — = not available or not applicable.

Information contact: Commodity Economics Division, Crops Branch (202) 219-0840.

Table 18.—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1990		1991			
	1987/88	1988/89	1989/90	1990/91	Dec	Aug	Sept	Oct	Nov	Dec
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.96	4.17	4.22	2.94	2.78	3.10	3.31	3.64	3.76	4.06
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.15	4.36	4.16	3.08	2.82	3.10	3.21	3.68	3.78	3.24
Rice, S.W. La. (\$/cwt) 4/	19.25	14.85	15.55	15.25	14.00	16.40	16.50	16.60	17.10	17.30
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.14	2.68	2.54	2.40	2.33	2.52	2.48	2.50	2.46	2.50
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	3.40	4.17	4.21	4.08	3.97	4.22	4.24	4.30	4.27	4.35
Barley, feed, Duluth (\$/bu.) 5/	1.78	2.32	2.20	2.13	2.07	1.92	2.08	2.18	2.23	2.09
Barley, malting, Minneapolis (\$/bu.)	2.04	4.11	3.28	2.42	2.31	2.14	2.21	2.38	2.50	2.36
U.S. price, SLM, 1-1/16 in. (cts/lb.) 6/	63.1	57.7	69.8	74.8	69.9	66.4	62.4	58.3	64.7	53.9
Northern Europe prices index (cts/lb.) 7/	72.3	66.4	82.3	82.9	83.6	72.9	69.9	67.6	63.0	61.8
U.S. M 1-3/32 in. (cts/lb.) 8/	76.3	69.2	83.6	88.2	84.0	75.5	73.1	70.3	65.4	64.3
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	6.67	7.41	6.86	5.76	5.78	5.65	5.90	5.88	5.66	5.54
Soybean oil, crude, Decatur (cts/lb.)	22.70	21.10	22.30	20.46	21.55	20.20	20.50	19.57	18.78	21.55
Soybean meal, 44% protein, Decatur (\$/ton)	221.90	233.50	173.75	169.78	164.80	177.60	191.90	183.00	178.00	170.70

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean meal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotton (A) index; average of five lowest prices of 12 selected growths. 8/ Memphis territory growths.

Information contact: Joy Harwood (202) 219-0840.

Table 19.—Farm Programs, Price Supports, Participation & Payment Rates

	Target price	Basic loan rate	Findley or announced loan rate 1/	Payment rates			Effective base acres 2/	Program 3/	Participation rate 4/
				Paid land diversion					
				Deficiency	Mandatory	Optional			
				\$/bu.			Mit. acres	Percent of base	Percent of base
Wheat									
1986/87 5/	4.38	3.00	2.40	1.98	1.10	2.00	91.6	22.5/2.5/5-10	85
1987/88	4.38	2.85	2.28	1.81	—	—	87.6	27.5/0/0	88
1988/89	4.23	2.78	2.21	0.89	—	—	84.8	27.5/0/0	80
1989/90	4.10	2.58	2.06	0.32	—	—	82.3	10/0/0	78
1990/91 6/	4.00	2.44	1.95	1.28	—	—	80.5	7/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	—	—	79.3	15/0/0	85
1992/93	4.00	2.58	2.21	**0.65	—	—	—	5/0/0	—
Rice				\$/cwt					
1986/87 5/	11.90	7.20	8/ 3.94	4.70	—	—	4.2	35/0/0	94
1987/88	11.88	6.84	8/ 5.79	4.82	—	—	4.2	35/0/0	98
1988/89	11.15	6.63	8/ 8.21	4.31	—	—	4.2	25/0/0	94
1989/90	10.80	6.50	8/ 5.71	3.56	—	—	4.2	26/0/0	95
1990/91 6/	10.71	6.50	8/ 5.08	4.21	—	—	4.2	20/0/0	94
1991/92	10.71	6.50	—	3.76	—	—	4.2	5/0/0	95
1992/93	10.71	6.50	—	**3.51	—	—	—	0/0/0	—
Corn				\$/bu.					
1986/87 5/	3.03	2.40	1.92	1.11	0.73	—	81.7	17.5/2.5/0	86
1987/88	3.03	2.28	1.82	1.09	—	2.00	81.5	20/0/15	91
1988/89	2.93	2.21	1.77	0.36	—	1.75	82.9	20/0/10	87
1989/90	2.84	2.08	1.65	0.58	—	—	82.7	10/0/0	80
1990/91 6/	2.75	1.96	1.57	0.53	—	—	82.8	10/0/0	77
1991/92	2.75	1.89	1.62	0.58	—	—	82.9	7.5/0/0	77
1992/93	2.75	2.01	1.72	**0.48	—	—	—	5/0/0	—
Sorghum				\$/bu.					
1986/87 5/	2.88	2.28	1.82	1.08	0.65	—	19.0	9/ 17.5/2.5/0	74
1987/88	2.88	2.17	1.74	1.14	—	1.90	17.4	20/0/15	85
1988/89	2.78	2.10	1.68	0.48	—	1.85	16.8	20/0/10	82
1989/90	2.70	1.98	1.57	0.88	—	—	16.2	10/0/0	71
1990/91 6/	2.61	1.88	1.49	0.58	—	—	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	0.68	—	—	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	**0.48	—	—	—	5/0/0	—
Barley				\$/bu.					
1986/87 5/	2.80	1.95	1.58	0.99	0.57	—	12.4	9/ 17.5/2.5/0	72
1987/88	2.60	1.86	1.49	0.79	—	1.60	12.5	20/0/15	85
1988/89	2.51	1.80	1.44	0.00	—	1.40	12.4	20/0/10	79
1989/90	2.43	1.68	1.34	0.00	—	—	12.3	10/0/0	67
1990/91 6/	2.36	1.60	1.28	0.22	—	—	11.9	10/0/0	68
1991/92	2.36	1.54	1.32	0.82	—	—	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	**0.35	—	—	—	5/0/0	—
Oats				\$/bu.					
1986/87 5/	1.80	1.23	0.99	0.39	0.36	—	9.2	9/ 17.5/2.5/0	38
1987/88	1.60	1.17	0.94	0.20	—	0.80	8.4	20/0/15	48
1988/89	1.55	1.14	0.90	0.00	—	—	7.9	5/0/0	30
1989/90	1.50	1.08	0.85	0.00	—	—	7.6	5/0/0	18
1990/91 6/	1.45	1.01	0.81	0.33	—	—	7.5	6/0/0	09
1991/92	1.45	0.97	0.83	0.35	—	—	7.3	0/0/0	38
1992/93	1.45	1.03	0.88	**0.15	—	—	—	0/0/0	—
Soybeans 10/				\$/bu.					
1986/87 5/	—	—	4.77	—	—	—	—	—	—
1987/88	—	—	4.77	—	—	—	—	—	—
1988/89	—	—	4.77	—	—	—	—	—	—
1989/90	—	—	4.53	—	—	—	—	11/ 10/25	—
1990/91 6/	—	—	4.50	—	—	—	—	11/ 0/25	—
1991/92	—	—	5.02	—	—	—	—	11/ 0/25	—
1992/93	—	—	5.02	—	—	—	—	11/ 0/25	—
Upland cotton				Cts./lb.					
1986/87 5/	81.0	55.00	12/ 44.00	28.00	—	—	15.5	25/0/0	92
1987/88	79.4	52.25	13/ 60.00	17.3	—	—	14.5	26/0/0	93
1988/89	76.9	51.80	13/ 61.89	19.4	—	—	14.5	12.5/0/0	89
1989/90	73.4	50.00	13/ 65.05	13.1	—	—	14.6	25/0/0	89
1990/91 6/	72.9	50.27	13/ 53.00	7.3	—	—	14.4	12.5/0/0	86
1991/92 14/	72.9	50.77	13/ —	10.0	—	—	14.6	5/0/0	84
1992/93	72.9	52.35	13/ —	**0.15	—	—	—	10/0/0	—

1/ There are no Findley loan rates for rice or cotton. See footnotes 8/, 12/, and 13/. 2/ National effective crop acreage base as determined by ASCS. Net of CRP. 3/ Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. 4/ Percentage of effective base acres enrolled in acreage reduction programs. 5/ Payments & loans received in cash were reduced by 4.3 percent in 1986/87 due to Gramm-Rudman-Hollings. 6/ Payments & loans were reduced by 1.4 percent in 1990/91 due to Gramm-Rudman-Hollings. Budget Reconciliation Act reductions to deficiency payment rates were also in effect in that year. Data do not include these reductions. 7/ Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. 8/ A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to annual average adjusted world prices. 9/ The sorghum, oats, & barley programs are the same as for corn except as indicated. 10/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 11/ Nominal percentage of program crop base acres permitted to shift into soybeans without loss of base. 12/ A marketing loan has been in effect for cotton since 1986/87. The loan repayment rate was fixed at 80 percent of the loan rate in 1986/87 (Plan A). 13/ In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average adjusted world prices. 14/ A marketing certificate program was implemented on Aug. 1, 1991. — = not available.

* Note: For the winter wheat option, the rate is \$1.25. ** Estimated deficiency payment rate. Minimum guaranteed payment rate for 0/92 (wheat & feed grains) & 50/92 (upland cotton) programs.

Information contact: Joy Harwood (202) 219-0840.

Table 20.—Fruit

	1983	1984	1985	1986	1987	1988	1989	1990 P	1991
Citrus 1/									
Production (1,000 ton)	13,682	10,832	10,525	11,058	11,993	12,761	13,186	10,860	11,324
Per capita consumpt. (lbs.) 2/	29.5	24.0	22.6	26.0	25.8	26.4	25.4	22.4	—
Noncitrus 3/									
Production (1,000 tons)	14,168	14,301	14,191	13,874	16,011	15,893	16,365	15,655	15,504
Per capita consumpt. (lbs.) 2/	63.6	67.7	66.7	69.8	75.4	72.7	74.3	69.8	—
	1991								
F.o.b. shipping point prices	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Apples (\$/carton) 4/	14.00	14.00	14.00	14.00	14.00	19.20	14.00	14.00	14.00
Pears (\$/box) 5/	13.74	15.12	18.90	—	—	13.00	13.00	13.00	13.00
Grower prices									
Oranges (\$/box) 6/	7.37	7.95	21.35	19.48	20.81	21.97	11.09	5.19	6.31
Grapefruit (\$/box) 6/	5.10	4.91	5.44	4.82	2.86	1.38	6.24	6.16	5.95
Stocks, ending									
Fresh apples (mil. lbs.)	1,060.9	690.7	385.8	163.0	17.7	2,723.6	5,133.7	4,461.5	3,703.6
Fresh pears (mil. lbs.)	50.8	14.7	—	12.8	137.5	456.3	420.8	335.4	217.2
Frozen fruits (mil. lbs.)	586.7	549.8	590.6	762.6	833.2	871.6	1,027.9	963.4	892.4
Frozen orange juice (mil. lbs.)	1,363.2	1,304.7	1,110.6	967.7	876.9	785.2	584.2	617.3	952.7

1/ 1990 indicated 1989/90 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's. 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary. — = not available.

Information contact: Wynne Napper (202) 219-0884.

Table 21.—Vegetables

	Calendar year									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Production										
Total vegetables (1,000 cwt)	430,795	403,509	456,334	453,030	448,629	478,381	488,779	542,437	561,704	565,373
Fresh (1,000 cwt) 1/ 3/	193,451	185,782	201,817	203,549	203,165	220,639	228,397	239,281	239,104	230,301
Processed (tons) 2/ 3/	11,867,170	10,886,350	12,725,880	12,474,040	12,273,200	12,892,100	12,019,110	15,157,790	16,130,020	16,753,580
Mushrooms (1,000 lbs.) 4/	490,828	561,531	595,681	587,956	614,393	631,819	667,759	714,992	749,488	—
Potatoes (1,000 cwt)	355,131	333,726	362,039	406,609	361,743	389,320	356,438	370,444	402,110	416,229
Sweetpotatoes (1,000 cwt)	14,833	12,083	12,902	14,573	12,368	11,611	10,945	11,358	12,594	11,496
Dry edible beans (1,000 cwt)	25,563	15,620	21,070	22,296	22,960	26,031	19,253	23,729	32,379	32,963
	1991									
Shipments	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Fresh (1,000 cwt) 5/	19,215	20,661	30,842	26,747	29,105	17,211	15,711	20,930	17,354	16,583
Potatoes (1,000 cwt)	12,337	14,497	15,895	10,395	10,720	8,796	9,541	13,069	12,277	11,386
Sweetpotatoes (1,000 cwt)	466	283	291	188	151	93	220	403	820	433

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Asparagus & cucumber estimates were not available for 1982 & 1983. 4/ Fresh & processing agaricus mushrooms only. Excludes specialty varieties. Crop year July 1 - June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, lettuce, onions, bell peppers, squash, tomatoes, cantaloupes, honeydews, & watermelons.

Information contacts: Gary Lucier or Cathy Greens (202) 219-0884.

Table 22.—Other Commodities

	Annual					1990		1991		
	1986	1987	1988	1989	1990	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept
Sugar										
Production 1/	6,267	7,309	7,087	6,841	6,335	652	3,435	2,208	626	648
Deliveries 1/	7,786	8,167	8,188	8,340	8,661	2,322	2,311	2,019	2,103	2,340
Stocks, ending 1/	3,225	3,195	3,132	2,946	2,842	1,210	2,729	3,530	2,487	1,513
Coffee										
Composite green price N.Y. (cts./lb.)	185.18	109.14	115.59	95.17	76.93	79.10	76.85	74.94	72.13	68.18
Imports, green bean equiv. (mil. lbs.) 2/	2,596	2,638	2,072	2,630	2,714	530	618	748	563	562
	Annual				1990	1991				
	1988	1989	1990	June	Jan	Feb	Mar	Apr	May	June
Tobacco										
Prices at auctions 3/										
Flue-cured (\$/lb.)	1.61	1.67	1.67	—	—	—	—	—	—	—
Burley (\$/lb.)	1.81	1.67	1.75	—	1.78	177.0	—	—	—	—
Domestic consumption 4/										
Cigarettes (bil.)	562.5	540.1	523.1	45.9	34.5	39.4	47.1	40.1	49.3	45.8
Large cigars (mil.)	2,531	2,467.6	2,343.4	221.8	152.1	144.9	162.6	175.4	169.1	218.8

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July-June for flue-cured, Oct.-Sept. for burley. 4/ Taxable removals. — = not available.

Information contacts: sugar, Peter Buzzanell (202) 219-0886, coffee, Fred Gray (202) 219-0888, tobacco, Verner Grise (202) 219-0880.

World Agriculture

Table 23.—World Supply & Utilization of Major Crops, Livestock & Products

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 P	1991/92 F
	Million units						
Wheat							
Area (hectares)	230.2	228.2	219.9	217.9	226.4	232.1	223.0
Production (metric tons)	501.0	531.1	502.4	501.3	537.9	593.2	545.9
Exports (metric tons) 1/	84.8	91.3	108.1	97.2	96.1	93.1	107.7
Consumption (metric tons) 2/	498.8	623.1	531.2	531.8	534.9	574.0	560.9
Ending stocks (metric tons) 3/	169.7	177.8	148.8	118.3	121.2	140.4	125.3
Coarse grains							
Area (hectares)	342.0	337.1	324.7	328.1	323.0	316.4	323.3
Production (metric tons)	844.0	833.2	795.2	731.5	802.7	833.0	804.2
Exports (metric tons) 1/	83.2	83.7	82.5	94.2	100.0	85.5	84.1
Consumption (metric tons) 2/	779.7	807.4	818.6	795.8	828.2	820.3	814.6
Ending stocks (metric tons) 3/	208.2	234.0	213.6	149.3	123.8	136.5	128.1
Rice, milled							
Area (hectares)	145.0	145.4	141.9	145.8	148.8	146.8	148.0
Production (metric tons)	319.2	318.3	318.4	332.0	344.3	351.5	348.4
Exports (metric tons) 4/	12.8	12.9	11.9	15.1	12.1	12.4	13.4
Consumption (metric tons) 2/	319.7	322.3	321.8	329.7	337.6	347.2	352.0
Ending stocks (metric tons) 3/	55.4	51.4	48.0	48.3	55.0	59.3	53.8
Total grains							
Area (hectares)	717.2	710.7	688.5	689.8	696.2	695.1	692.3
Production (metric tons)	1,684.2	1,682.8	1,615.0	1,564.8	1,684.9	1,777.7	1,698.5
Exports (metric tons) 1/	180.8	187.9	200.5	206.5	208.2	191.0	205.2
Consumption (metric tons) 2/	1,596.0	1,652.8	1,669.8	1,657.3	1,700.7	1,741.5	1,727.5
Ending stocks (metric tons) 3/	433.3	463.0	408.4	315.9	300.0	336.2	305.0
Oilseeds							
Crush (metric tons)	155.1	181.8	168.5	166.4	173.1	178.9	182.1
Production (metric tons)	196.2	194.9	210.8	204.1	213.9	217.8	224.3
Exports (metric tons)	34.5	37.7	39.5	32.0	36.0	34.0	36.3
Ending stocks (metric tons)	26.8	23.3	24.0	22.2	23.2	22.5	23.8
Meals							
Production (metric tons)	105.0	110.7	115.4	112.2	117.8	121.0	122.7
Exports (metric tons)	34.4	38.7	35.8	37.8	38.6	39.0	39.2
Oils							
Production (metric tons)	49.4	50.4	53.3	63.9	57.8	59.2	60.8
Exports (metric tons)	18.4	18.9	17.5	18.2	20.0	20.2	20.4
Cotton							
Area (hectares)	31.7	29.5	31.0	33.7	31.8	33.0	34.0
Production (bales)	80.4	70.7	81.0	84.8	80.0	87.0	92.2
Exports (bales)	20.3	26.0	23.2	25.9	24.0	23.1	22.9
Consumption (bales)	76.9	82.8	84.1	85.2	88.6	85.2	85.6
Ending stocks (bales)	48.5	35.9	32.9	32.1	28.4	28.3	35.0
	1988	1987	1988	1989	1990	1991 P	1992 F
Red meat							
Production (metric tons)	109.8	112.7	116.4	117.8	119.5	119.2	121.4
Consumption (metric tons)	108.8	110.8	114.4	116.4	117.6	117.5	120.0
Exports (metric tons) 1/	6.6	6.7	7.1	7.3	7.2	7.2	7.3
Poultry 5/							
Production (metric tons)	29.4	31.4	33.1	34.3	36.2	37.7	39.2
Consumption (metric tons)	29.0	31.0	32.7	33.9	35.6	37.2	38.8
Exports (metric tons) 1/	1.3	1.5	1.7	1.8	2.1	2.2	2.3
Dairy							
Milk production (metric tons)	425.9	425.7	429.0	434.9	442.6	428.8	426.6

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1988 data correspond with 1985/86, etc. 5/ Poultry excludes the Peoples Republic of China before 1988. P = preliminary. F = forecast.

Information contacts: Crops, Carol Whitton (202) 219-0824; red meat & poultry, Linda Bailey (202) 219-1285; dairy, Sara Short (202) 219-0770.

U.S. Agricultural Trade

Table 24.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1990	1991					
	1989	1990	1991	Dec	July	Aug	Sept	Oct	Nov	Dec
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.85	3.72	3.52	3.10	3.22	3.44	3.63	4.00	4.09	4.40
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	2.79	2.75	2.63	2.69	2.81	2.77	2.79	2.74	2.73
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.70	2.65	2.69	2.60	2.56	2.69	2.71	2.74	2.70	2.76
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.06	6.24	6.05	6.13	5.79	6.07	6.28	5.99	5.97	5.91
Soybean oil, Decatur (cts./lb.)	20.21	22.75	20.14	21.26	18.87	20.09	20.02	19.06	18.52	18.67
Soybean meal, Decatur (\$/ton)	216.59	169.37	172.90	164.79	169.70	181.32	192.23	181.83	178.38	171.38
Cotton, 8-market avg. spot (cts./lb.)	63.78	71.25	69.69	69.92	71.33	66.44	62.54	58.28	54.70	53.89
Tobacco, avg. price at auction (cts./lb.)	161.74	166.06	173.53	170.09	170.66	165.49	178.48	178.02	181.93	179.98
Rice, f.o.b. mill, Houston (\$/cwt)	15.68	15.52	16.48	14.50	17.00	17.00	17.00	16.50	17.00	17.50
Inedible tallow, Chicago (cts./lb.)	14.71	13.54	13.26	14.25	12.96	14.00	13.60	13.68	13.21	12.50
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.04	0.81	0.71	0.82	0.68	0.66	0.68	0.61	0.59	0.57
Rubber, N.Y. spot (cts./lb.)	50.65	46.28	45.73	47.03	44.59	44.45	44.45	44.54	44.75	44.15
Cocoa beans, N.Y. (\$/lb.)	0.55	0.55	0.52	0.56	0.45	0.49	0.56	0.58	0.57	0.59

Information contact: Mary Teymourian (202) 219-0824.

Table 25.—Indexes of Real Trade-Weighted Dollar Exchange Rates ^{1/}

	1991										1992
	Mar	Apr	May	June	July	Aug P	Sept P	Oct P	Nov P	Dec P	Jan P
	1985 = 100										
Total U.S. trade ^{2/}	64.1	66.6	67.1	69.4	69.3	68.2	66.5	66.0	64.0	62.4	61.3
Agricultural trade											
U.S. markets	78.4	79.4	79.7	80.9	80.6	79.9	78.5	78.1	77.0	75.9	75.1
U.S. competitors	76.4	77.0	77.3	77.8	77.6	76.6	75.8	76.0	75.3	74.8	74.2
Wheat											
U.S. markets	97.5	97.7	98.6	98.7	99.0	98.2	96.4	96.3	95.4	94.1	93.2
U.S. competitors	70.8	71.4	71.3	71.9	71.6	70.8	70.2	69.9	69.4	69.6	69.2
Soybeans											
U.S. markets	66.3	68.1	68.4	70.2	69.8	68.8	67.4	66.7	65.2	63.8	62.7
U.S. competitors	57.9	57.5	57.2	56.0	54.6	53.8	53.6	53.5	53.6	53.5	52.9
Corn											
U.S. markets	72.8	73.3	73.5	74.6	74.1	73.7	72.3	71.3	70.3	69.3	68.5
U.S. competitors	63.9	65.0	64.9	65.7	65.1	64.3	63.8	63.7	62.7	61.8	61.1
Cotton											
U.S. markets	74.2	74.7	74.9	75.9	75.6	75.2	74.2	73.7	73.0	72.3	71.7
U.S. competitors	80.3	89.0	89.1	88.5	87.3	86.5	84.8	83.9	83.8	82.3	83.6

^{1/} Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of Agricultural Outlook for a discussion of the calculations and the weights used. ^{2/} Federal Reserve Board Index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Tim Baxter, David Stallings (202) 219-0718.

Table 26.—Trade Balance

	Fiscal year ^{1/}								Nov
	1985	1986	1987	1988	1989	1990	1991	1992 F	1991
	\$ million								
Exports									
Agricultural	31,201	26,312	27,876	35,316	39,611	40,271	37,613	39,000	4,028
Nonagricultural	179,236	179,291	202,911	258,656	301,248	328,008	356,754	—	31,170
Total ^{2/}	210,437	205,603	230,787	293,972	340,859	368,279	394,367	—	35,198
Imports									
Agricultural	19,740	20,884	20,650	21,014	21,478	22,560	22,588	22,000	1,878
Nonagricultural	313,722	342,848	367,374	409,138	441,075	458,101	463,720	—	39,281
Total ^{3/}	333,462	363,730	388,024	430,152	462,551	480,661	486,308	—	41,159
Trade balance									
Agricultural	11,461	5,428	7,226	14,302	18,135	17,711	15,025	17,000	2,150
Nonagricultural	-134,486	-163,555	-164,463	-150,482	-139,827	-132,093	-106,966	—	-8,111
Total	-123,025	-158,127	-157,237	-136,180	-121,692	-114,382	-91,941	—	-5,961

^{1/} Fiscal years begin October 1 & end September 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. ^{2/} Domestic exports including Department of Defense shipments (F.A.S. value). ^{3/} Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 27.—U.S. Agricultural Exports & Imports

	Fiscal year*			Nov	Fiscal year*			Nov
	1990	1991	1992 F	1991	1990	1991	1992 F	1991
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	885	1,235	—	145	361	546	—	87
Meats & preps., excl. poultry (mt)	873	937	2/ 800	88	2,457	2,774	—	255
Dairy products (mt) 1/	105	43	—	7	358	293	500	31
Poultry meats (mt)	563	628	700	71	679	737	—	88
Fats, oils, & greases (mt)	1,265	1,169	1,100	105	459	418	—	38
Hides & skins incl. furskins	—	—	—	—	1,844	1,457	—	91
Cattle hides, whole (no.) 1/	24,240	21,704	—	1,506	1,436	1,162	—	74
Mink pelts (no.) 1/	5,128	3,941	—	61	116	74	—	2
Grains & feeds (mt)	112,925	94,868	—	9,908	15,698	12,205	3/ 12,800	1,266
Wheat (mt)	28,068	26,692	29,000	3,711	4,212	2,856	4/ 3,500	390
Wheat flour (mt)	851	1,076	1,100	44	198	202	—	9
Rice (mt)	2,491	2,401	2,300	328	630	749	800	100
Feed grains, incl. products (mt)	69,384	52,340	46,900	4,540	8,094	5,789	5,300	508
Feeds & fodders (mt)	11,153	11,254	5/ 11,500	1,106	1,828	1,913	—	166
Other grain products (mt)	978	1,105	—	179	535	696	—	73
Fruits, nuts, & preps. (mt)	2,873	2,849	—	338	2,789	3,038	—	361
Fruit juices incl.	—	—	—	—	—	—	—	—
fro. (1,000 hectoliters) 1/	5,975	6,310	—	539	328	338	—	29
Vegetables & preps. (mt)	2,243	2,589	—	222	2,079	2,597	—	244
Tobacco, unmanufactured (mt)	218	239	200	24	1,359	1,533	1,600	151
Cotton, excl. linters (mt)	1,666	1,565	1,600	127	2,704	2,605	2,500	204
Seeds (mt)	556	514	—	27	573	618	700	58
Sugar, cane or beet (mt)	447	589	—	60	187	219	—	20
Oilseeds & products (mt)	23,743	21,991	—	3,427	6,099	5,909	6,300	850
Oilseeds (mt)	17,669	15,658	—	2,560	4,239	3,816	—	604
Soybeans (mt)	17,229	15,139	17,700	2,446	3,942	3,484	3,900	548
Protein meal (mt)	4,778	5,275	—	737	1,032	1,069	—	163
Vegetable oils (mt)	1,296	1,059	—	130	829	725	—	83
Essential oils (mt)	14	13	—	1	182	183	—	13
Other	91	92	—	6	2,115	2,441	—	242
Total	147,580	126,086	130,500	14,409	40,271	37,613	39,000	4,028
IMPORTS								
Animals, live (no.) 1/	2,938	3,168	—	284	1,053	1,131	1,100	129
Meats & preps., excl. poultry (mt)	1,142	1,191	—	84	2,848	3,016	—	209
Beef & veal (mt)	754	811	722	57	1,842	2,024	1,800	143
Pork (mt)	340	322	230	23	888	866	800	55
Dairy products (mt) 1/	254	231	—	21	951	807	800	74
Poultry & products 1/	—	—	—	—	129	119	—	12
Fats, oils, & greases (mt)	19	33	—	2	15	19	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	182	153	—	12
Wool, unmanufactured (mt)	47	50	—	3	187	175	—	9
Grains & feeds (mt)	3,481	4,163	4,650	373	1,181	1,271	1,200	122
Fruits, nuts, & preps., excl. juices (mt)	5,331	5,648	5,420	390	2,486	2,740	—	199
Bananas & plantains (mt)	3,236	3,397	3,400	261	926	992	1,000	81
Fruit juices (1,000 hectoliters) 1/	33,933	27,948	32,000	2,765	1,002	737	—	92
Vegetables & preps. (mt)	2,242	2,179	—	158	2,264	2,185	2,100	160
Tobacco, unmanufactured (mt)	193	215	220	9	588	698	700	27
Cotton, unmanufactured (mt)	30	18	—	1	20	16	—	1
Seeds (mt)	171	169	170	8	164	173	200	15
Nursery stock & cut flowers 1/	—	—	—	—	519	538	—	53
Sugar, cane or beet (mt)	1,769	1,785	—	55	734	717	—	26
Oilseeds & products (mt)	2,016	2,077	—	185	964	959	1,000	84
Oilseeds (mt)	534	445	—	34	206	151	—	11
Protein meal (mt)	310	412	—	56	48	57	—	8
Vegetable oils (mt)	1,171	1,220	—	95	710	750	—	66
Beverages excl. fruit juices (1,000 hectoliters) 1/	13,543	12,987	—	1,094	1,867	1,858	—	188
Coffee, tea, cocoa, spices	2,202	2,025	2,755	191	3,465	3,280	—	293
Coffee, incl. products (mt)	1,290	1,116	1,150	99	1,997	1,831	1,800	149
Cocoa beans & products (mt)	698	680	690	71	1,042	1,005	1,000	102
Rubber & allied gums (mt)	840	792	790	73	712	664	700	59
Other	—	—	—	—	1,229	1,333	—	112
Total	—	—	—	—	22,560	22,588	22,000	1,878

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. 1/ Not included in total volume and also other dairy products for 1989 & 1990. 2/ Forecasts for footnoted items 2/-6/ are based on slightly different groups of commodities. Fiscal 1990 exports of categories used in the 1991 forecasts were 2/ 676,000 m. tons. 3/ 16.014 million. 4/ 4,426 million i.e. includes flour. 5/ 11,065 million m. tons. F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 28.—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			Nov	Change from year* earlier			Nov
	1990	1991	1992 F	1991	1990	1991	1992 F	1991
	\$ million				Percent			
WESTERN EUROPE	7,371	7,315	7,400	883	5	-1	1	17
European Community (EC-12)	6,878	6,779	6,900	831	5	-1	1	17
Belgium-Luxembourg	428	484	—	54	-1	9	—	-1
France	469	571	—	70	-1	22	—	9
Germany, Fed. Rep.	1,096	1,135	—	115	19	4	—	1
Italy	763	677	—	73	25	-11	—	8
Netherlands	1,636	1,562	—	243	-11	-5	—	22
United Kingdom	781	884	—	89	3	16	—	30
Portugal	338	251	—	24	10	-26	—	-15
Spain, incl. Canary Islands*	976	855	—	105	15	-12	—	17
Other Western Europe	493	536	500	52	-3	9	0	15
Switzerland	171	194	—	20	3	13	—	45
EASTERN EUROPE	533	306	200	12	26	-43	-33	-81
German Dem. Rep.	58	0	—	0	-20	-100	—	0
Poland	101	46	—	2	124	-54	—	-82
Yugoslavia	129	74	—	4	69	-43	—	-84
Romania	210	82	—	4	239	-61	—	-64
USSR	3,006	1,758	1,900	397	-9	-42	6	471
ASIA	18,162	16,097	17,200	1,619	-3	-11	7	3
West Asia (Mideast)	1,996	1,430	1,700	194	-12	-28	21	42
Turkey	260	224	—	17	9	-14	—	-26
Iraq	497	0	0	0	-37	-100	0	0
Israel, Incl. Gaza & W. Bank	285	287	—	29	-14	1	—	34
Saudi Arabia	502	536	600	85	4	7	20	52
South Asia	723	375	—	27	-38	-48	—	-23
Bangladesh	120	67	—	1	-44	-44	—	-59
India	116	95	—	11	-52	-18	—	92
Pakistan	391	144	200	11	-35	-63	-75	-45
China	909	668	900	72	-39	-27	29	97
Japan	8,155	7,738	8,100	721	0	-5	5	-3
Southeast Asia	1,184	1,239	—	127	21	5	—	22
Indonesia	277	279	—	27	28	1	—	23
Philippines	351	373	400	36	2	6	0	66
Other East Asia	5,194	4,646	4,700	478	12	-11	2	-6
Taiwan	1,818	1,738	1,700	232	14	-4	0	29
Korea, Rep.	2,690	2,159	2,300	173	10	-20	10	-36
Hong Kong	685	745	700	73	19	9	0	19
AFRICA	2,011	1,883	1,800	164	-12	-6	-5	-18
North Africa	1,527	1,387	1,300	101	-15	-9	-7	-39
Morocco	164	128	—	10	-24	-22	—	-1
Algeria	491	479	500	40	-11	-2	10	-22
Egypt	763	692	600	39	-20	-9	-14	-56
Sub-Saharan	484	496	500	62	0	2	0	81
Nigeria	32	44	—	2	7	37	—	-67
Rep. S. Africa	81	74	—	9	43	-9	—	45
LATIN AMERICA & CARIBBEAN	5,156	5,499	5,500	507	-5	7	0	14
Brazil	105	271	300	55	-30	159	0	55
Caribbean Islands	1,008	1,010	—	89	0	0	—	-15
Central America	483	496	—	60	3	7	—	104
Colombia	147	124	—	4	6	-16	—	-55
Mexico	2,667	2,885	2,900	200	-3	8	0	-4
Peru	187	150	—	19	132	-20	—	83
Venezuela	345	307	400	36	-41	-11	0	21
CANADA	3,715	4,409	4,700	393	70	19	7	11
OCEANIA	317	346	300	52	18	9	0	41
TOTAL	40,271	37,613	39,000	4,028	2	-7	4	15
Developed countries	19,868	20,109	20,500	2,082	11	1	3	9
Less developed countries	15,955	14,768	15,500	1,465	-3	-7	5	4
Centrally planned countries	4,448	2,736	3,000	481	-15	-38	11	174

* Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. F = forecast. — = not available.
 Note: Adjusted for transshipments through Canada.

Information contact: Stephen MacDonald (202) 219-0822.

Farm Income

Table 29.—Farm Income Statistics

	Calendar year										
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991 F	1992 F
	\$ billion										
1. Farm receipts	147.8	141.9	147.7	150.1	140.2	148.3	157.3	168.6	175.8	175	188 to 180
Crops (incl. net CCC loans)	72.3	67.2	69.9	74.3	63.7	65.8	71.8	78.8	80.4	83	80 to 85
Livestock	70.3	68.6	72.9	69.8	71.8	76.0	79.4	84.1	89.6	85	82 to 87
Farm related 1/	5.2	5.1	4.9	6.0	5.7	6.6	6.3	8.1	6.7	7	6 to 8
2. Direct Government payments	3.5	9.3	8.4	7.7	11.8	16.7	14.5	10.9	9.3	9	8 to 11
Cash payments	3.5	4.1	4.0	7.6	8.1	6.6	7.1	9.1	8.4	8	8 to 10
Value of PIK commodities	0.0	5.2	4.5	0.1	3.7	10.1	7.4	1.7	0.9	1	0 to 1
3. Gross cash income (1+2) 2/	151.3	151.1	156.1	157.9	152.8	165.1	171.9	179.9	185.0	183	179 to 188
4. Nonmoney income 3/	14.3	13.6	5.9	5.6	5.5	6.1	6.1	6.1	6.3	6	5 to 7
5. Value of inventory change	-1.4	-10.9	8.0	-2.3	-2.2	-2.3	-3.5	4.3	2.9	1	1 to 6
6. Total gross farm income (3+4+5)	164.1	163.9	168.0	161.2	156.1	168.4	174.5	190.3	195.1	190	189 to 197
7. Cash expenses 4/	113.2	112.8	118.7	110.7	105.0	109.8	114.5	120.6	124.2	126	125 to 132
8. Total expenses	140.3	139.6	141.9	132.4	125.1	128.7	133.9	140.2	144.3	146	146 to 154
9. Net cash income (4-7)	38.1	38.4	37.4	47.1	47.8	55.3	57.4	59.4	61.8	58	52 to 57
10. Net farm income (3-8)	23.8	14.2	26.1	28.8	31.0	39.7	40.6	50.1	50.8	44	40 to 48
Deflated (1987\$)	28.4	16.3	28.7	30.5	32.0	39.7	39.1	46.2	45.0	38	33 to 38
11. Off-farm income	36.4	37.0	39.2	55.2	64.6	56.3	57.2	57.3	67.0	60	59 to 62
12. Loan charges 5/: Real estate	3.0	1.4	3.5	-0.8	-0.8	-8.0	-4.8	-2.3	-1.9	-0	0 to 2
13. 5/: Non-real estate	3.4	0.9	-0.8	-0.6	-11.0	-4.6	-0.3	0.1	1.3	1	-1 to 1
14. Rental income plus monetary change	5.7	5.5	8.4	8.3	7.2	7.1	7.9	8.0	8.8	12	11 to 14
15. Capital expenditures 5/	13.3	12.7	12.5	9.2	8.5	11.2	11.3	12.6	13.4	13	11 to 14
16. Net cash flow (9+12+13+14-15)	37.0	33.4	36.0	30.1	26.9	38.7	49.0	52.6	56.4	57	53 to 57

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. 5/ Excludes farm households. Total may not add because of rounding. F = forecast. — = not available.

Information contact: Robert McElroy (202) 219-0800.

Table 30.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991 F	1992 F
	\$ billion										
Assets											
Real estate	750.0	753.4	661.7	586.1	542.2	578.6	599.4	605.1	614.4	624	625 to 635
Non-real estate	195.6	191.9	196.9	187.4	182.3	194.2	205.8	214.7	220.9	221	221 to 231
Livestock & poultry	53.0	49.5	49.5	46.3	47.8	58.0	62.2	66.2	69.1	66	68 to 72
Machinery & motor vehicles	86.0	85.8	85.0	82.9	81.5	80.0	82.0	85.8	87.4	89	88 to 92
Crops stored 2/	26.4	24.4	26.3	22.9	16.6	17.8	22.7	23.3	22.4	23	20 to 24
Purchased inputs	—	—	2.0	1.2	2.1	3.0	3.3	2.7	2.8	3	2 to 4
Financial assets	29.7	30.9	32.6	33.3	34.5	35.1	35.4	36.6	38.5	40	39 to 43
Total farm assets	945.1	944.0	857.1	772.6	724.6	772.5	805.1	819.7	834.6	845	850 to 860
Liabilities											
Real estate debt 3/	101.8	103.2	106.7	100.1	90.4	82.4	77.6	75.3	73.4	73	72 to 78
Non-real estate debt 4/	87.0	87.9	87.1	77.5	66.6	62.0	61.7	61.8	63.1	64	63 to 67
Total farm debt	188.8	191.1	193.8	177.6	157.0	144.4	139.4	137.1	136.5	137	136 to 142
Total farm equity	756.3	752.9	663.3	595.0	567.6	628.1	665.8	682.6	698.2	708	710 to 720
	Percent										
Selected ratios											
Debt-to-assets	20.0	20.2	22.6	23.0	21.7	18.7	17.3	16.7	16.4	16	16 to 17
Debt-to-equity	25.0	25.4	29.2	29.8	27.7	23.0	20.9	20.1	19.6	19	19 to 20
Debt-to-net cash income	496	498	518	377	328	261	243	231	221	235	240 to 260

1/ As of Dec. 31. 2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 219-0798.

Table 31.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1989	1990	Oct 1991	Nov 1991	1989	1990	Oct 1991	Nov 1991	1989	1990	Oct 1991	Nov 1991
	\$ million 2/											
NORTH ATLANTIC												
Maine	218	220	17	17	228	240	17	21	444	460	34	39
New Hampshire	65	63	5	5	73	71	8	5	139	134	10	10
Vermont	379	398	33	31	50	49	3	4	429	447	36	38
Massachusetts	113	118	9	9	321	303	30	41	434	418	39	50
Rhode Island	13	13	1	1	65	58	4	4	78	71	5	5
Connecticut	188	196	15	16	240	250	18	17	428	446	33	33
New York	1,937	1,983	159	152	917	1,023	108	93	2,854	3,006	267	245
New Jersey	197	196	17	17	484	452	40	43	682	647	57	59
Pennsylvania	2,611	2,714	220	195	992	1,053	92	96	3,602	3,767	311	290
NORTH CENTRAL												
Ohio	1,698	1,836	144	136	2,088	2,335	419	315	3,787	4,172	564	451
Indiana	1,828	2,060	154	165	2,456	2,871	555	414	4,281	4,931	719	579
Illinois	2,251	2,477	195	184	4,727	5,461	794	550	6,979	7,938	988	734
Michigan	1,311	1,398	109	101	1,611	1,785	213	271	2,923	3,183	322	372
Wisconsin	4,350	4,581	370	351	1,050	1,125	111	153	5,400	5,706	481	504
Minnesota	3,693	3,758	309	296	2,820	3,253	375	479	6,513	7,011	683	774
Iowa	5,293	5,882	426	451	3,755	4,437	667	551	9,049	10,319	1,093	1,003
Missouri	2,169	2,271	204	230	1,751	1,688	322	238	3,920	3,939	526	468
North Dakota	669	813	115	81	1,483	1,724	244	307	2,152	2,537	359	389
South Dakota	2,031	2,313	322	228	951	1,038	242	113	2,982	3,349	564	341
Nebraska	5,646	6,037	624	535	3,080	2,808	400	405	8,726	8,845	1,024	940
Kansas	4,416	4,896	342	317	2,132	2,099	355	209	6,548	6,995	697	526
SOUTHERN												
Delaware	503	460	34	29	159	184	39	24	662	644	73	53
Maryland	859	828	68	63	477	517	74	64	1,336	1,345	142	127
Virginia	1,345	1,379	159	133	694	741	160	74	2,039	2,120	320	206
West Virginia	250	269	31	26	60	70	6	6	310	338	36	33
North Carolina	2,510	2,853	221	235	2,082	2,214	471	222	4,593	4,867	692	457
South Carolina	554	577	55	50	680	599	77	66	1,235	1,176	133	116
Georgia	2,281	2,268	170	165	1,628	1,574	334	253	3,908	3,842	504	418
Florida	1,215	1,260	112	94	5,031	4,448	205	310	6,246	5,708	317	403
Kentucky	1,658	1,698	140	261	1,266	1,400	67	219	2,924	3,098	206	480
Tennessee	1,082	1,111	131	81	863	928	123	217	1,945	2,039	254	298
Alabama	1,975	2,083	216	166	696	655	105	104	2,671	2,737	321	271
Mississippi	1,295	1,322	129	105	981	1,111	173	288	2,276	2,433	301	393
Arkansas	2,661	2,708	227	213	1,496	1,553	317	346	4,157	4,259	544	559
Louisiana	614	637	60	49	1,094	1,284	221	309	1,708	1,921	281	359
Oklahoma	2,377	2,363	310	195	1,137	1,191	95	90	3,515	3,554	405	285
Texas	8,861	7,712	618	588	4,063	4,268	552	505	10,923	11,981	1,170	1,093
WESTERN												
Montana	929	864	133	123	625	742	79	102	1,554	1,606	212	225
Idaho	1,084	1,154	108	96	1,662	1,781	275	255	2,745	2,935	383	351
Wyoming	664	610	149	80	163	157	12	47	827	767	161	127
Colorado	2,649	3,029	300	226	1,321	1,184	137	147	3,969	4,213	437	373
New Mexico	874	1,046	173	142	485	483	50	63	1,459	1,529	223	205
Arizona	744	819	67	73	1,182	1,046	88	198	1,926	1,865	155	271
Utah	567	576	58	52	188	179	18	13	755	755	76	64
Nevada	142	218	23	14	102	115	10	10	244	333	33	24
Washington	1,233	1,396	121	117	2,457	2,420	352	280	3,689	3,816	474	397
Oregon	738	755	76	71	1,546	1,557	224	181	2,285	2,312	299	252
California	5,183	5,515	419	501	12,857	13,344	1,572	1,496	18,050	18,859	1,990	1,997
Alaska	9	8	1	1	20	19	2	2	29	27	3	3
Hawaii	92	88	8	7	493	499	42	41	585	588	50	48
UNITED STATES	84,131	89,623	8,108	7,478	78,761	80,364	10,900	10,258	160,893	169,987	19,008	17,735

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

Information contact: Roger Strickland (202) 219-0806.

Table 32.—Cash Receipts From Farming

	Annual						1990	1991				
	1985	1986	1987	1988	1989	1990	Nov	July	Aug	Sept	Oct	Nov
	\$ million											
Farm marketings & CCC loans*	144,114	135,303	141,759	151,082	160,893	169,987	18,033	12,218	13,201	14,904	19,008	17,735
Livestock & products	89,822	71,563	75,994	79,437	84,131	89,623	8,002	8,879	8,982	7,315	8,108	7,478
Meat animals	38,650	39,081	44,478	46,482	46,857	51,877	4,842	3,596	4,062	4,370	6,055	4,327
Dairy products	18,055	17,724	17,727	17,841	19,396	20,199	1,485	1,488	1,507	1,508	1,817	1,888
Poultry & eggs	11,209	12,701	11,616	12,868	15,372	15,270	1,362	1,212	1,239	1,217	1,285	1,247
Other	2,008	2,048	2,274	2,436	2,507	2,477	313	383	184	220	171	315
Crops	74,293	63,749	65,764	71,645	76,781	80,384	10,031	5,540	6,209	7,548	10,900	10,258
Food grains	6,990	5,741	5,776	7,467	8,247	7,878	680	851	662	823	681	476
Feed crops	22,591	16,911	14,578	14,298	17,081	19,118	2,256	1,345	1,878	1,499	2,381	2,627
Cotton (lint & seed)	3,687	3,371	4,189	4,546	5,040	5,234	1,426	81	225	232	805	1,621
Tobacco	2,699	1,894	1,816	2,083	2,416	2,738	413	259	459	479	328	189
Oil-bearing crops	12,475	10,614	11,283	13,500	11,866	12,403	1,685	565	715	1,214	3,278	1,861
Vegetables & melons	8,572	8,865	9,902	9,787	11,461	11,533	580	810	1,042	1,294	1,228	580
Fruits & tree nuts	8,948	7,252	8,062	9,204	9,257	9,306	1,378	891	724	1,018	1,149	1,335
Other	8,333	9,101	10,161	10,760	11,415	12,190	1,713	739	704	1,031	1,071	1,768
Government payments	7,704	11,813	16,747	14,480	10,887	9,298	1,667	76	85	103	1,391	320
Total	161,818	147,116	158,506	165,562	171,780	179,285	19,700	12,293	13,266	15,007	20,399	18,055

* Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period.

Information contact: Roger Strickland (202) 219-0806.

Table 33.—Farm Production Expenses

	Calendar year									
	1983	1984	1985	1986	1987	1988	1989	1990	1991 F	1992 F
	\$ million									
Feed purchased	20,573	19,383	18,949	17,472	17,463	20,393	21,002	20,727	20,000	18,000 to 22,000
Livestock purchased	8,818	9,487	9,184	9,758	11,842	12,784	13,138	14,737	14,000	12,000 to 16,000
Seed purchased	2,690	3,386	3,128	3,188	3,259	3,359	3,558	3,582	4,000	3,000 to 5,000
Farm-origin inputs	32,081	32,256	29,261	30,416	32,564	36,816	37,698	39,046	38,000	36,000 to 41,000
Fertilizer & lime	7,055	8,360	7,512	6,820	6,453	6,947	7,249	7,137	7,000	6,000 to 8,000
Fuels & oils	7,211	7,296	6,436	6,310	4,957	5,091	4,983	5,951	6,000	5,000 to 7,000
Electricity	1,882	2,060	1,878	1,795	2,156	2,278	1,990	1,944	2,000	1,000 to 3,000
Pesticides	3,870	4,688	4,334	4,324	4,612	4,577	6,437	5,727	6,000	5,000 to 7,000
Manufactured inputs	20,118	22,404	20,159	18,249	18,077	18,883	19,659	20,759	21,000	20,000 to 23,000
Short-term interest	10,815	10,396	8,735	7,367	6,767	8,797	8,910	8,805	7,000	6,000 to 9,000
Real estate interest 1/	10,818	10,733	9,878	9,131	8,187	7,885	7,781	7,667	7,000	6,000 to 8,000
Total interest charges	21,430	21,129	18,613	16,498	14,954	16,682	16,691	16,472	14,000	12,000 to 15,000
Repair & maintenance 1/ 2/	6,529	6,416	6,370	6,426	6,781	6,800	7,272	7,283	8,000	7,000 to 9,000
Contract & hired labor	8,938	9,427	10,006	9,484	9,975	10,441	11,211	12,662	14,000	12,000 to 16,000
Machine hire & custom work	2,213	2,566	2,354	2,099	2,105	2,350	2,574	2,634	3,000	2,000 to 4,000
Marketing, storage, & transportation	3,904	4,012	4,127	3,652	4,078	3,450	4,080	3,972	4,000	3,000 to 5,000
Misc. operating expenses 1/	10,961	10,331	10,010	9,759	11,327	11,404	12,448	12,238	11,000	10,000 to 14,000
Other operating expenses	33,544	32,761	32,868	31,420	34,246	34,445	37,582	38,669	41,000	40,000 to 45,000
Capital consumption 1/	23,758	20,847	19,299	17,788	16,740	17,076	17,553	17,546	18,000	16,000 to 20,000
Taxes 1/	4,485	4,337	4,542	4,812	4,853	4,848	5,127	5,623	6,000	6,000 to 7,000
Net rent to nonoperator landlord	5,211	8,150	7,680	8,099	7,304	7,445	7,911	8,177	8,000	7,000 to 8,000
Other overhead expenses	33,434	33,334	31,531	28,499	28,897	29,387	30,590	31,345	32,000	30,000 to 35,000
Total production expenses	139,608	141,873	132,433	126,084	128,737	133,902	140,219	144,291	145,000	145,000 to 154,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases & dairy assessments. Totals may not add because of rounding. F = forecast.

Information contacts: Chris McGath (202) 219-0804, Robert McElroy (202) 219-0800.

Table 34.—CCC Net Outlays by Commodity & Function

COMMODITY/PROGRAM	Fiscal year									
	1984	1985	1986	1987	1988	1989	1990	1991	1992 E	1993 E
	\$ million									
Feed grains										
Corn	-934	4,403	10,524	12,346	8,227	2,863	2,450	2,387	2,635	3,620
Grain sorghum	76	463	1,185	1,203	784	487	361	243	222	300
Barley	89	336	471	394	57	45	-83	71	185	135
Oats	5	2	26	17	-2	1	-5	12	40	28
Corn & oat products	6	7	5	7	7	8	8	9	10	4
Total feed grains	-758	5,211	12,211	13,967	9,053	3,384	2,721	2,722	3,092	4,087
Wheat	2,536	4,691	3,440	2,836	678	53	808	2,958	2,211	2,329
Rice	333	990	947	906	128	631	667	867	671	720
Upland cotton	244	1,553	2,142	1,788	666	1,481	-79	382	1,281	702
Tobacco	348	455	253	-346	-453	-387	-307	-143	-86	20
Dairy	1,502	2,085	2,337	1,168	1,295	679	505	839	330	341
Soybeans	-585	711	1,597	-476	-1,676	-86	5	40	-109	42
Peanuts	1	12	32	8	7	13	1	48	-16	-6
Sugar	10	184	214	-65	-246	-25	15	-20	-26	-27
Honey	90	81	89	73	100	42	47	19	11	6
Wool	132	109	123	152	1/ 5	93	104	172	178	185
Operating expense 3/	362	346	457	535	614	620	618	625	7	7
Interest expenditure	1,064	1,435	1,411	1,219	425	88	632	745	590	300
Export programs 4/	743	134	102	276	200	-102	-34	733	1,645	1,748
1989/90 Disaster/										
livestock assistance	0	0	0	0	0	3,919	2/ 161	121	1,029	0
Other	1,295	-314	486	371	1,665	110	609	2	1,258	1,256
Total	7,315	17,683	25,841	22,408	12,461	10,523	6,471	10,110	11,966	11,710
FUNCTION										
Price-support loans (net)	-27	6,272	13,628	12,199	4,579	-926	-399	418	641	352
Direct payments 5/										
Deficiency	612	6,302	6,186	4,833	3,971	5,798	4,178	6,224	6,100	7,446
Diversions	1,504	1,525	64	382	8	-1	0	0	0	0
Dairy termination	0	0	489	587	260	168	189	96	13	0
Other	0	0	27	60	0	42	3	21	252	93
Disaster	1	0	0	0	6	4	0	0	0	0
Total direct payments	2,117	7,827	6,746	5,862	4,245	6,011	4,370	6,341	6,365	7,539
1988/89 crop disaster	0	0	0	0	0	3,386	2/ 5	6	996	0
Emergency livestock/										
forage assistance	0	0	0	0	31	533	156	115	33	0
Purchases (net)	1,470	1,331	1,670	-479	-1,131	116	-48	646	344	468
Producer storage										
payments	268	329	485	832	658	174	185	1	26	24
Processing, storage,										
& transportation	639	657	1,013	1,659	1,113	659	317	394	205	138
Operating expense 3/	362	346	457	535	614	620	618	625	7	7
Interest expenditure	1,064	1,435	1,411	1,219	425	88	632	745	590	300
Export programs 4/	743	134	102	276	200	-102	-34	733	1,645	1,748
Other	679	-648	329	305	1,727	-48	669	86	1,114	1,134
Total	7,315	17,683	25,841	22,408	12,461	10,523	6,471	10,110	11,966	11,710

1/ Fiscal 1988 wool & mohair program outlays were \$130,635,000 but include a one-time advance appropriation of \$126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately \$1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Export Guarantee Program—Credit Reform, Direct Export Credit Program, Market Promotion Program, Export Enhancement Program, Dairy Export Incentive Program, & CCC Transfers to the General Sales Manager. 5/ Includes cash payments only. Excludes payment-in-kind in fiscal 83-85 & generic certificates in fiscal 86-93. E = Estimated in the fiscal 1993 President's Budget based on November, 1991 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Information contact: Richard Pazdalski (202) 720-5148.

Table 35.—Food Expenditure Estimates

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food not alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr.-Econ. Rot. No. 575, Aug 1987.

Information contact: **Alden Manchester** (202) 219-0880

Table 36.—Rail Rates, Grain & Fruit-Vegetable Shipments

	Annual			1990	1991					
	1989	1990	1991	Dec	July	Aug	Sept	Oct	Nov	Dec
Rail freight rate index 1/ (Dec. 1984=100)										
All products	106.4	107.5	109.3	108.5	109.8	109.4	109.5 P	109.3 P	109.4	109.4
Farm products	108.4	110.4	111.4	111.0	111.5	110.7	111.9 P	110.9 P	110.9	110.9
Grain	108.7	110.1	111.1	111.3	110.8	110.8	112.2 P	111.1 P	111.2	111.2
Food products	103.9	105.4	108.1	108.8		107.9	108.7 P	108.4 P	108.3	108.3
Grain shipments										
Rail carloadings (1,000 cars) 2/	28.4	27.6	28.3	24.4	25.5 P	27.6 P	27.4 P	30.1 P	27.3 P	28.8 P
Barge shipments (mil. ton) 3/	3.3	3.8	3.3	2.1	4.4	3.8	3.3	3.5	3.7	2.9
Fresh fruit & vegetable shipments 4/ 5/										
Piggy back (mil. cwt)	2.2	1.8	1.5	1.5	2.0	1.7	1.6	1.5	1.3	1.3
Rail (mil. cwt)	2.6	2.3	2.1	2.5	1.9	0.7	1.6	2.3	2.8	2.8
Truck (mil. cwt)	42.3	41.5	41.8	41.8	46.0	41.7	36.9	41.5	43.8	40.3
Cost of operating trucks hauling produce 4/										
Fleet operation (cts/mile)	123.4	130.5	130.5	135.4	124.7	122.6	122.6	123.7	124.9	124.0

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways, U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. 5/ Preliminary data for 1991. P = preliminary.

Information contact: T.O. Hutchinson (202) 219-0840.

Indicators of Farm Productivity

Table 37.—Indexes of Farm Production, Input Use & Productivity ^{1/}

	1982	1983	1984	1985	1986	1987	1988	1989	1990 2/	1991 2/
	1977=100									
Farm output	116	96	112	118	111	110	102	114	119	120
All livestock products 3/	107	109	107	110	110	113	116	116	117	119
Meat animals	101	104	101	102	100	102	105	104	104	104
Dairy products	110	114	110	117	116	116	118	117	120	121
Poultry & eggs	119	120	123	128	133	144	148	153	162	168
All crops 4/	117	88	111	118	109	108	92	107	114	111
Feed grains	122	67	116	134	123	106	73	108	112	106
Hay & forage	109	100	107	106	106	102	89	101	101	103
Food grains	138	117	129	121	107	107	98	107	136	104
Sugar crops	96	93	95	97	106	111	105	105	107	112
Cotton	85	55	91	94	69	103	107	86	109	122
Tobacco	104	75	90	81	63	82	72	71	84	87
Oil crops	121	91	106	117	110	108	89	106	107	114
Cropland used for crops	101	88	99	98	94	88	87	90	90	—
Crop production per acre	116	100	112	120	116	123	106	119	127	—
Farm input 5/	98	96	95	91	89	89	87	97	88	—
Farm real estate	102	101	99	97	96	95	94	93	93	—
Mechanical power & machinery	89	86	85	80	77	74	74	73	71	—
Agricultural chemicals	118	102	120	115	109	111	112	119	122	—
Feed, seed, & livestock purchases	107	103	103	102	109	116	111	113	113	—
Farm output per unit of input	119	100	118	129	124	124	116	130	135	—
Output per hour of labor										
Farm 6/	125	99	121	139	139	142	135	147	142	—
Nonfarm 7/	99	102	105	106	108	109	111	112	111	—

1/ For historical data & indexes, see Economic Indicators of the Farm Sector: Production & Efficiency Statistics, 1986, ECIFS 5-6. 2/ Preliminary indexes for 1990 based on Crop Production: 1990 Summary, released in January 1991, & unpublished data from the Agricultural Statistics Board, NASS. 3/ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. 4/ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output. 5/ Includes other items not included in the separate groups shown. 6/ Economic Research Service. 7/ Bureau of Labor Statistics. — = not available.

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Food Supply & Use

Table 38.—Per Capita Consumption of Major Food Commodities ^{1/}

Commodity	1983	1984	1985	1986	1987	1988	1989	1990 ^{2/}
	Pounds							
Red meats ^{3/4/5/}	123.9	123.7	124.9	122.2	117.4	119.5	115.9	112.3
Beef	74.1	73.8	74.6	74.4	69.5	68.8	65.4	63.9
Veal	1.4	1.5	1.5	1.6	1.3	1.1	1.0	0.9
Lamb & mutton	1.1	1.1	1.1	1.0	1.0	1.0	1.1	1.1
Pork	47.4	47.2	47.7	45.2	45.6	48.8	48.4	46.4
Poultry ^{3/4/5/}	45.8	47.2	49.3	51.3	55.5	57.4	60.8	63.9
Chicken	37.0	38.2	39.8	40.7	43.4	44.7	47.3	49.4
Turkey	8.9	9.0	9.6	10.6	12.1	12.6	13.6	14.5
Fish & shellfish ^{4/}	13.3	14.1	15.0	15.4	16.1	15.2	15.6	15.4
Eggs ^{5/}	33.0	33.0	32.4	32.2	32.2	31.2	29.9	29.6
Dairy products								
Cheese (excluding cottage) ^{3/6/}	20.8	21.5	22.5	23.1	24.1	23.7	23.8	24.7
American	11.8	11.9	12.2	12.1	12.4	11.5	11.1	11.1
Italian	5.3	5.8	6.5	7.0	7.8	8.1	8.5	9.1
Other cheese ^{7/}	3.7	3.9	3.7	4.0	4.1	4.1	4.3	4.4
Cottage cheese	4.1	4.1	4.1	4.1	3.9	3.9	3.6	3.4
Beverage milks ^{3/}	226.4	227.2	229.7	228.8	226.5	222.3	224.3	221.5
Fluid whole milk ^{8/}	130.3	126.8	123.3	116.5	111.9	105.7	97.6	90.3
Fluid lowfat milk ^{9/}	85.6	88.9	93.7	98.7	100.6	100.5	106.5	108.3
Fluid skim milk	10.8	11.6	12.6	13.5	14.0	18.1	20.2	22.9
Fluid cream products ^{10/}	5.7	6.2	6.7	7.0	7.1	7.1	7.3	7.1
Yogurt (excluding frozen)	3.3	3.7	4.1	4.4	4.4	4.7	4.3	4.1
Ice cream	18.1	18.2	18.1	18.4	18.4	17.3	16.1	15.7
Ice milk	6.9	7.0	6.9	7.2	7.4	8.0	8.4	8.7
All dairy products, milk equivalent milkfat basis ^{11/}	574.2	583.3	595.1	592.8	602.6	584.5	566.5	571.8
Fats & oils — Total fat content	80.0	58.8	64.3	64.3	62.9	63.0	61.1	62.7
Butter & margarine (product weight)	15.3	15.3	15.7	16.0	15.2	14.8	14.6	15.3
Shortening	18.5	21.3	22.9	22.1	21.4	21.5	21.5	22.2
Lard & edible tallow (direct use)	4.2	3.8	3.7	3.5	2.7	2.6	2.7	3.0
Salad & cooking oils	23.6	19.9	23.5	24.2	25.4	25.8	24.0	24.2
Fresh fruits ^{12/}	93.2	91.7	89.3	95.9	101.1	99.2	99.2	82.3
Canned fruit ^{13/}	12.8	12.3	12.7	12.9	13.6	13.3	13.4	13.4
Dried fruit	2.5	2.5	2.8	2.7	2.8	2.9	3.2	3.2
Frozen fruit	2.9	3.0	3.3	3.6	3.9	3.8	4.8	4.3
Frozen citrus juices ^{14/}	41.7	35.7	40.5	43.2	40.2	40.1	34.3	27.2
Vegetables ^{12/}								
Fresh	92.6	100.3	100.2	99.3	105.7	109.8	112.9	111.0
Canning	85.2	90.9	87.8	87.9	87.8	83.5	90.7	93.2
Freezing	14.6	17.5	17.1	15.8	16.8	18.3	17.8	18.1
Potatoes, all ^{12/}	118.4	121.9	122.4	125.7	125.7	122.2	126.7	127.2
Sweet potatoes ^{12/}	4.8	4.8	5.4	4.4	4.4	4.1	4.1	4.7
Peanuts (shelled)	5.9	6.1	6.3	6.4	6.4	6.9	7.0	6.2
Tree nuts (shelled)	2.3	2.4	2.4	2.3	2.2	2.3	2.3	2.5
Flour & cereal products ^{15/}	149.0	150.6	158.0	163.9	173.4	172.9	175.0	185.4
Wheat flour	117.7	119.2	124.7	125.7	129.9	130.0	129.2	137.8
Rice (milled basis)	9.8	8.6	9.1	11.7	13.9	14.4	15.6	18.6
Caloric sweeteners ^{16/}	124.3	127.0	130.0	129.1	132.6	133.2	134.3	137.5
Coffee (green bean equiv.)	10.1	10.2	10.5	10.5	10.2	9.8	10.3	10.2
Cocoa (chocolate liquor equiv.)	3.2	3.4	3.7	3.8	3.9	3.8	3.9	4.2

^{1/} In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. ^{2/} Preliminary. ^{3/} Total may not add due to rounding. ^{4/} Boneless, trimmed weight. ^{5/} Excludes shipments to the U. S. territories. ^{6/} Natural equivalent of cheese & cheese products. Total product weight is greater than natural equivalent because processed cheese & cheese food are made from natural cheese & other dairy products. Includes miscellaneous cheese not shown separately. ^{7/} Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. ^{8/} Plain & flavored. ^{9/} Plain & flavored & buttermilk. ^{10/} Heavy cream, light cream, half & half, & sour cream & dip. ^{11/} Includes condensed & evaporated milk & dry milk products. ^{12/} Farm weight. ^{13/} Excludes pineapple & berries. ^{14/} Single strength equivalent. ^{15/} Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. ^{16/} Dry weight equivalent.

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